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Fats and Oils Situation

Economics, Statistics,
and Cooperatives Service

U.S. Department of
Agriculture

Approved by the
World Food and
Agricultural Outlook
and Situation Board

FOS-293

October
1978

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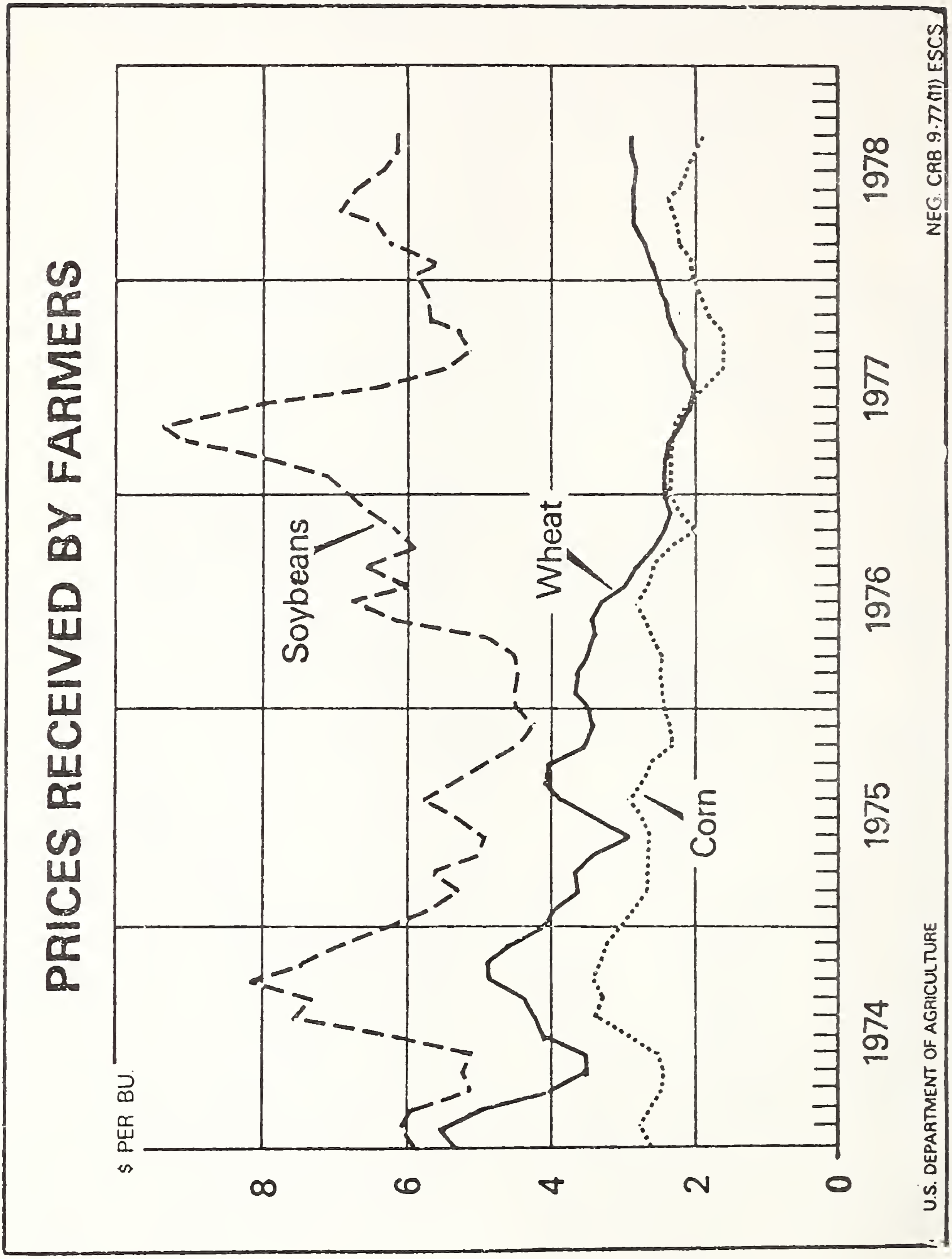
PRICES RECEIVED BY FARMERS

U.S. DEPARTMENT OF AGRICULTURE

NEG. CRB 9-77(11) ESCS

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SUMMARY

The 1978/79 oilseed outlook is for near record high supplies, continuing strong demand both here and abroad, small changes in carryover stock levels, and prices to farmers higher than last season.

The 1978 soybean crop is placed at a record 1.8 billion bushels (49 million metric tons), up slightly from last year. Supply and demand appear to be in close balance, with the prices to producers averaging above $6 per bushel.

Demand will continue unusually strong at least during the first half of the marketing year. This reflects rising overseas requirements for protein meals and oil along with reduced supplies from South America. Brazil has already shipped most of her beans from the reduced 1978 crop harvested last spring and will offer little competition in the world market until new crop beans are available about April 1979. Therefore, the United States will be the only major supplier of soybeans to the world until next spring.

Competitive U.S. prices and rising demand overseas in response to increased hog and poultry production in many countries will provide the impetus. U.S. soybean exports will face little competition for the first half of the 1978/79 season and could be as much as 50 to 75 million bushels ahead of the 1977/78 rate by next February. How much of this gain can be held will largely depend upon the level of competition from South American soybeans. Based on these estimates, the U.S.

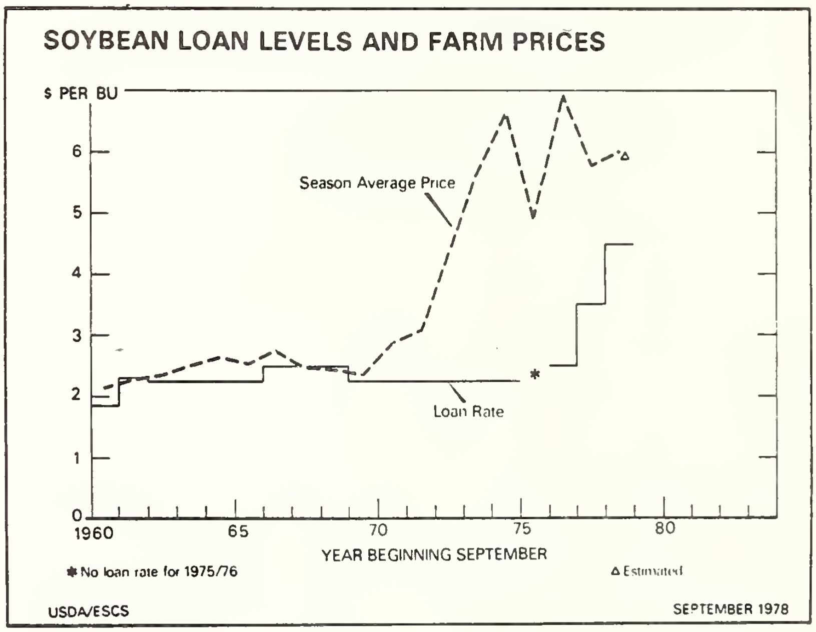
soybean carryover on September 1, 1979 may be around 170 million bushels, up only slightly from this year's 159 million bushels.

The United States is also producing more sunflowerseed and peanuts in 1978/79. U.S. sunflower production for the 4 major States is placed at a record 3.4 billion pounds (1.5 million metric tons), nearly one-fourth above last year. The peanut crop at 4.0 billion pounds (1.8 million metric tons) stands at a new high and 6 percent above 1977. Partially offsetting these gains is the 24-percent decline in 1978 cottonseed production to 3.8 million metric tons and the 27-percent drop in flaxseed output to 0.3 million metric tons.

U.S. production of animal fats (butter, lard, and tallow) in 1978/79 is projected to drop slightly from the 4-million-ton level of last year, mainly because of reduced cattle slaughter. Little change is expected in hog slaughter and milk production.

World production of oilseeds, oils, and fats in 1978/79 is projected at around 55 million metric tons (oil basis), about 5 percent more than last season. World output of high-protein meals (vegetable and fish) is projected at 82 million tons (soybean meal equivalent), better than 6 percent above last year. In sharp contrast to 1977/78, almost all of the increase in oil production and four-fifths of the increase in meal production will come from foreign producers. The 1979 soybean crops of Brazil and Argentina (now being planted) are expected to yield a crop of 13.5 and 3.0 million tons, up 36 and 25 percent, respectively. World demand is expected to continue strong for large supplies of meals and oils.

* * * * *


SOYBEAN LOAN LEVELS AND FARM PRICES

* No loan rate for 1975/76

△ Estimated

USDA/ESCS

SEPTEMBER 1978

FATS AND OILS SITUATION

SITUATION AND OUTLOOK

Soybeans

Supply Up Slightly

Soybean farmers are harvesting 63.3 million acres this fall, nearly a tenth more than in 1977. But yield prospects are off this year—estimated at 28.3 bushels per acre compared with the record 30.6 bushels in 1977. As of October 1, the 1978 soybean crop was placed at 1,792 million bushels, up about 2 percent from a year ago. And with carryover stocks last September 1 at 159 million bushels, the total 1978/79 soybean supply is boosted to 1.95 billion bushels, compared with 1.86 billion in 1977/78.

Soybean supply and demand in 1978/79 is expected to be in relatively close balance—with both domestic crush and exports increasing—leaving carryover stocks next September 1 at around 170 million bushels or near the 159 million bushels this year.

Prices to soybean farmers during harvest this fall are averaging above $6 per bushel compared with $5 a year ago. The CCC loan rate for 1978 crop soybeans is $4.50 per bushel. A post-harvest price rise may occur with the demand for soybeans continuing strong. The extent of any price rise will be influenced by the size of the 1979 South American soybean crop, and whether or not the Peoples' Republic of China and USSR enter the world market for soybeans or products. Much also depends upon the U.S. farmers' willingness to withhold soybeans from the market.

Modest Gain in Crush

Soybean crushings this season are estimated at around 970 million bushels (26.4 million metric tons), compared with 927 million (25.2 million metric tons) in 1977/78. This rise mainly reflects the prospective increase in soybean meal feeding because of favorable feeding price ratios. More poultry, cattle, and hogs will be fed.

A crush of this size would utilize about three-fourths of the U.S. industry's 1978/79 processing capacity—now estimated at 1.3 billion bushels, up slightly from last season. The industry operated at three-fourths capacity in 1977/78, a little below the long-term average utilization rate of about 80 percent.

The U.S. spot soybean processing margin (the cash spread between the price of soybeans and the value of products) in September 1978 was 30 cents per bushel—about the same as the average for the 1977/78 season. Spot margins probably will continue favorable this fall and may improve as the season progresses.

Exports Continue Strong

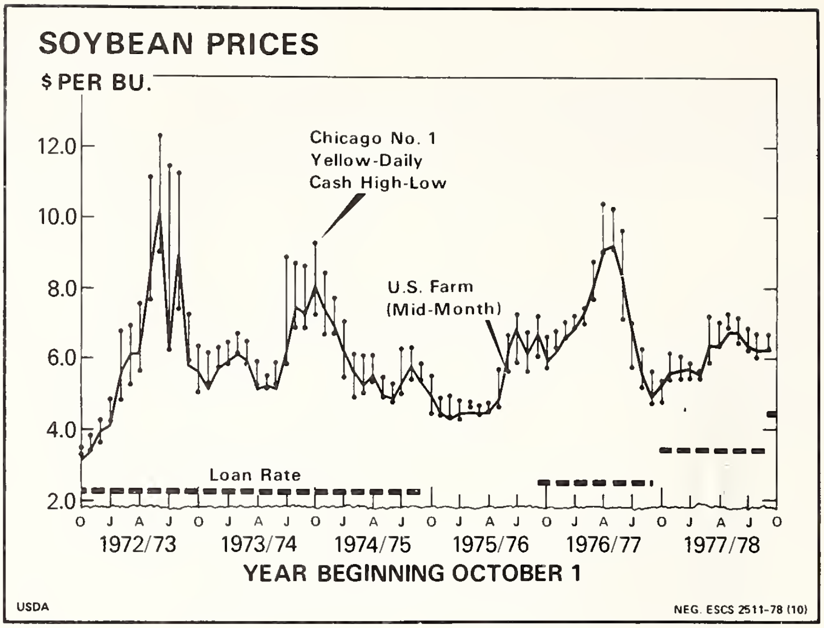
Soybean exports in 1978/79 are projected at around 730 million bushels (19.9 million metric tons), compared with 700 million bushels (19.1 million metric tons) last season. Brazilian and Argentine soybeans and products will not be available on world markets until April 1979. U.S. exports will face little competition for the first half of the 1978/79 marketing year and could be as much as 50 to 75 million bushels ahead by February. The increase in the entire season exports reflects strong competition anticipated from South American sources in the second half of 1978/79. The continuing uptrend in crushing capacity in South America indicates tougher competition from soybean products as well, particularly soybean meal.

SOYBEAN OIL

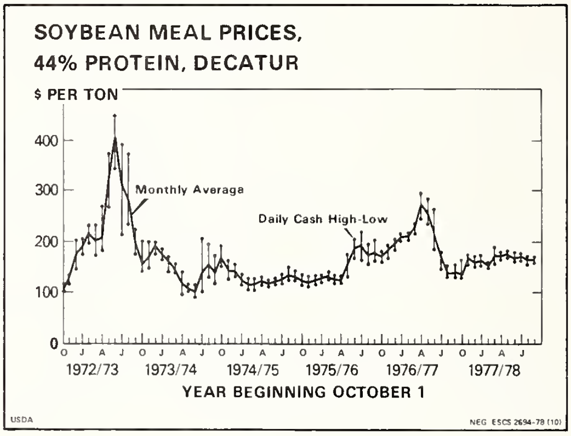
Domestic Use Gains;
Exports May Decline

Soybean oil supplies in 1978/79 are projected at 11.3 billion pounds (5.1 million metric tons) compared with 11.0 billion pounds (5 million tons) last season.

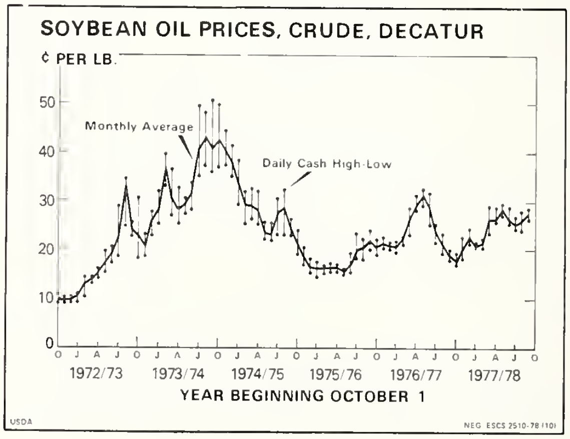
Domestic use is expected to total around 8½ billion pounds, about 4 percent more than in 1977/78. U.S. supplies of competitive cottonseed oil, lard, and butter will be smaller than in 1977/78, but greater quantities of sunflowerseed oil, corn oil, peanut oil, and imported palm oil are expected to be available. The domestic consumption of soybean



SOYBEAN PRICES



SOYBEAN MEAL PRICES, 44% PROTEIN, DECATUR



SOYBEAN OIL PRICES, CRUDE, DECATUR

TABLE 1--SOYBEANS: ACREAGE, PRODUCTION AND PRICE, BY STATES AND AREAS, CROP YEARS, 1975-78

STATE AND AREA	ACREAGE HARVESTED				YIELD PER ACRE HARVESTED				PRODUCTION				PRICE PER BUSHEL RECEIVED BY FARMERS SEASON AVERAGE			
	1975	1976	1977	1978 1/	1975	1976	1977	1978 1/	1975	1976	1977	1978 1/	1975	1976	1977	1978 2/
	- - - 1,000 ACRES - - -				- - - - BUSHELS - - - -				- - MILLION BUSHELS - -				- - - - DOLLARS - - - -			
NORTH CAROLINA	1,420	1,120	1,320	1,600	23.5	22.0	22.0	24.0	33.4	24.6	29.0	38.4	4.67	7.00	5.95	6.61
SOUTH CAROLINA	1,380	1,190	1,300	1,460	22.0	18.0	20.5	20.0	30.4	21.4	26.6	29.2	4.71	7.25	5.90	6.58
GEORGIA	1,260	870	1,090	1,700	25.5	23.5	20.0	20.0	32.1	20.4	21.8	34.0	4.65	6.95	5.95	6.42
ALABAMA	1,310	1,170	1,600	1,950	24.5	24.0	21.0	22.0	32.1	28.1	33.6	42.9	4.88	7.05	5.75	---
TOTAL SOUTHEAST	5,370	4,350	5,310	6,710	23.8	21.9	20.9	21.5	128.0	94.5	111.0	144.5	4.73	7.06	5.89	6.54
KENTUCKY	1,200	1,070	1,320	1,450	27.0	27.0	31.0	26.0	32.4	28.9	40.9	37.7	4.87	7.10	6.20	6.39
TENNESSEE	1,850	1,800	2,220	2,420	25.0	22.5	23.0	24.0	46.3	40.5	52.2	55.7	4.62	6.60	5.85	6.31
MISSISSIPPI	3,120	3,250	3,650	3,900	22.5	22.0	20.5	21.0	70.2	71.5	78.5	81.9	4.81	6.90	6.35	5.28
ARKANSAS	4,700	4,320	4,600	4,800	24.5	19.0	22.0	21.0	115.2	82.1	105.8	105.6	4.69	7.15	6.30	6.17
LOUISIANA	1,920	2,250	2,680	2,950	24.5	28.0	23.5	25.0	47.0	63.0	63.0	70.8	4.79	6.85	5.80	6.26
TOTAL SOUTH CENTRAL	12,790	12,690	14,470	15,520	24.7	23.7	24.0	23.4	311.1	286.0	340.4	351.7	4.76	6.92	6.10	6.08
OHIO	3,100	2,880	3,380	3,720	33.0	33.0	36.5	32.0	102.3	95.0	120.0	119.0	5.00	7.40	5.65	6.36
INDIANA	3,630	3,280	3,900	4,100	33.5	34.0	37.0	33.0	121.6	111.5	144.3	135.3	4.98	6.95	5.50	6.30
ILLINOIS	8,220	7,560	8,850	9,200	36.0	33.0	38.0	34.0	295.9	249.5	336.3	312.8	5.11	7.60	5.90	6.27
IOWA	6,970	6,450	7,080	7,500	34.0	31.0	35.5	36.0	237.0	200.0	251.3	270.0	5.09	7.75	5.80	6.08
MISSOURI	4,470	4,200	4,650	5,350	26.0	20.0	32.0	28.0	116.2	84.0	148.8	154.0	4.84	7.25	5.65	6.15
MINNESOTA	3,650	3,020	3,770	4,060	26.5	22.0	35.5	32.0	96.7	66.4	133.8	128.0	5.02	7.70	5.60	5.97
TOTAL EASTERN CORN BELT	30,040	27,390	31,630	33,930	31.5	28.8	35.6	32.5	969.7	806.4	1134.5	1119.1	5.01	7.44	5.68	6.19
NORTH DAKOTA	149	147	175	185	19.5	12.5	20.0	21.0	2.9	1.8	3.5	3.9	4.99	8.00	5.40	---
SOUTH DAKOTA	342	271	315	360	25.0	17.0	30.5	27.0	8.6	4.6	9.6	9.7	4.93	7.35	4.40	---
NEBRASKA	1,200	980	1,130	1,270	27.0	20.0	34.0	30.0	32.4	19.6	40.7	43.2	4.81	7.45	5.50	6.04
KANSAS	1,080	865	990	1,430	21.0	15.0	28.5	18.0	22.7	13.0	28.2	25.7	4.77	7.45	5.35	5.99
TOTAL WESTERN CORN BELT	2,771	2,263	2,610	3,245	23.1	16.1	28.2	24.0	66.6	39.0	82.0	82.5	4.88	7.56	5.16	6.02
ALL OTHERS 4/	2,790	2,665	3,592	3,863	25.3	23.8	26.1	25.5	70.7	61.7	93.9	94.2	4.56	6.87	---	---
TOTAL U.S.	53,761	49,358	57,612	63,268	28.8	26.1	30.6	28.3	1546.1	1287.6	1761.8	1792.0	4.92	6.81	5.79	6.19

1/ PRELIMINARY, BASED ON OCT. 1 INDICATIONS.

2/ SEPTEMBER 1978 AVERAGES.

TABLE 2 --COTTONSEED: ACREAGE, PRODUCTION AND PRICE, BY STATES AND AREAS, CROP YEARS, 1975-78

STATE AND AREA	COTTON ACREAGE HARVESTED				COTTONSEED YIELD PER ACRE HARVESTED				COTTONSEED PRODUCTION				PRICE PER TON RECEIVED BY FARMERS SEASON AVERAGE			
	1975	1976	1977	1978	1975	1976	1977	1978 1/	1975	1976	1977	1978 1/	1975	1976	1977	1978
	- - - 1,000 ACRES - - -				- - - - POUNDS - - - -				- - - 1,000 TONS - - -				- - - - DOLLARS - - - -			
CALIFORNIA	875	1,120	1,390	1,455	1,851	1,850	1,583		810	1,036	1,100		108.00	106.00	76.00	
ARIZONA	298	340	515	538	1,651	2,041	1,728		246	347	445		101.00	105.00	75.00	
NEW MEXICO	98	64	128	110	571	906	1,063		28	29	68		99.90	102.00	66.00	
NEVADA	1	1	1	1	2,000	2,000	2,000		1	1	1		110.00	105.00	78.00	
TOTAL WEST	1,272	1,525	2,034	2,104	1,706	1,853	1,587		1,085	1,413	1,614		104.73	104.50	73.75	
TEXAS	3,924	4,500	6,450	6,100	463	565	648		909	1,271	2,089		89.80	99.00	65.00	
OKLAHOMA	295	335	520	550	475	400	635		70	67	165		89.70	105.00	63.00	
TOTAL SOUTHWEST	4,219	4,835	6,970	6,650	464	553	647		979	1,338	2,254		89.75	102.00	64.25	
MISSOURI	210	260	262	180	752	515	718		79	67	94		98.30	98.00	66.00	
ARKANSAS	680	950	930	780	735	619	860		250	294	400		97.20	105.00	72.50	
TENNESSEE	315	370	300	250	584	492	666		92	91	100		97.40	104.00	74.00	
MISSISSIPPI	1,100	1,470	1,360	1,150	691	279	897		380	432	610		97.30	107.00	77.00	
LOUISIANA	310	560	540	505	839	732	930		130	205	251		94.00	105.00	73.50	
ILLINOIS	---	---	---	---	---	---	---		---	---	---		---	---	---	
KENTUCKY	1	1	1	---	---	1	1		2/	2/	2/		97.00	104.00	74.00	
TOTAL VALLEY	2,616	3,611	3,393	2,865	712	603	858		931	1,089	1,455		96.87	103.83	72.83	
VIRGINIA	1	1	1	2/	---	1	---		2/	2/	2/		93.00	100.00	71.00	
NORTH CAROLINA	53	71	83	41	604	704	458		16	25	19		87.10	---	65.00	
SOUTH CAROLINA	103	159	153	100	660	692	549		34	55	42		85.40	99.00	68.00	
GEORGIA	160	240	170	130	675	583	353		54	70	30		82.30	97.00	59.00	
FLORIDA	4	7	6	3	500	571	667		1	2	2		79.00	116.00	77.00	
ALABAMA	370	420	395	330	638	614	532		118	129	105		85.50	103.00	69.50	
TOTAL SOUTHEAST	691	898	808	604	645	626	490		223	281	198		85.38	103.00	68.25	
OTHER STATES	---	45	74		---	2/	---		---	1	---		---	---	---	
TOTAL U.S.	8,796	10,914	13,279	12,294	732	755	832	687	3,218	4,122	5,521	4,220	97.00	103.00	71.00	3/89.20

1/ Indicated October 1, based on average seed lint ratio.

2/ Less than 500 tons.

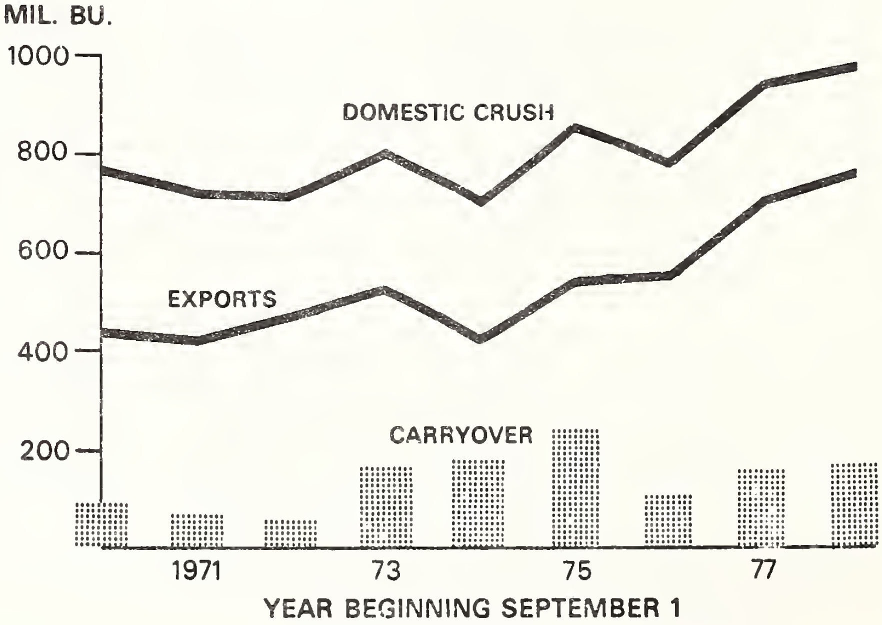
3/ August-September simple average.

Table 3.--Soybeans: U.S. supply, use, and price, 1976-78

Commodity	1976/77	1977/78 Prelim.	1978/79 Proj.	1978/79 Prob. Variab.[1]
SOYBEANS:				
Area		Million acres		
Planted	50.2	58.8	64.4	
Harvested	49.4	57.6	63.3	
Yield per harv. unit		Bushels/acre		
	26.1	30.6	28.3	
		Million bushels		
Beg. stocks, 9/1	245	103	159	
Production	1,288	1,762	1,792	+60 to -60
Supply, total	1,533	1,865	1,951	+60 to -60
Crushings	790	927	970	+50 to -50
Exports	564	700	730	+50 to -50
Seed and feed	62	69	69	
Residual	14	10	12	
Use, total	1,430	1,706	1,781	+75 to -75
End. stocks, 8/31	107	159	170	+50 to -50
Avg. farm price 2/	6.81	5.80	6.25	+1.00 to -1.00

[1] The "probable variability" reflects the "root mean square error" and/or "standard error of estimate" from trend and judgment. Chances are about 2 out of 3 that outcome will fall within the indicated ranges. 2/ Season average farm price, dollars per bushel

U.S. SOYBEAN USE*



* EXCLUDES PLANTING SEED AND SOYBEANS USED AS FEED.

Table 4.--SOYBEANS: CRUSHINGS AND YIELDS OF OIL AND MEAL PER BUSHEL CRUSHED, EXPORTS AND PRICE, BY MONTHS, CROP YEARS, 1967-77

YEAR BEGINNING SEPTEMBER	SEPT.	OCT.	NOV.	DEC.	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	TOTAL OR AVERAGE
							CRUSHING						
							MILLION BUSHELS						
1967	42.2	50.4	51.6	51.6	51.2	48.6	48.3	44.6	48.8	47.5	47.6	44.9	576.4
1968	33.2	54.7	55.6	52.2	49.9	45.0	54.6	50.4	54.5	50.6	52.1	48.2	605.9
1969	47.5	61.8	62.0	63.1	62.9	58.8	62.9	62.5	67.4	63.7	62.7	62.0	737.3
1970	53.3	66.8	65.9	68.1	67.7	60.1	63.6	63.8	63.8	61.1	62.4	63.6	760.1
1971	54.5	59.5	59.8	64.0	63.9	60.2	63.9	58.5	63.0	57.1	58.2	57.9	720.5
1972	52.2	66.8	70.7	69.2	70.6	64.8	64.4	58.2	61.7	52.2	44.5	46.5	721.8
1973	41.4	62.6	71.8	72.8	74.8	70.4	75.8	69.6	71.7	69.4	72.2	68.8	821.3
1974	53.6	61.6	69.8	60.2	63.1	54.1	61.[illegible]	57.5	53.0	53.1	59.2	64.0	701.3
1975	56.5	71.4	71.1	77.8	74.9	69.3	77.9	77.2	79.6	74.6	70.6	64.2	865.1
1976	68.8	72.9	73.4	72.7	72.2	71.6	74.4	67.1	61.2	56.2	50.6	49.1	790.2
1977 1/	51.9	75.8	85.3	86.6	85.3	75.4	86.5	80.1	82.6	72.4	70.8	73.9	926.6
							YIELD OF OIL PER BUSHEL CRUSHED						
							POUNDS						
1967	11.1	10.5	10.4	10.4	10.3	10.5	10.6	10.6	10.7	10.7	10.7	10.6	10.6
1968	10.7	10.6	10.5	10.4	10.5	10.6	10.6	10.7	10.7	10.7	10.5	10.9	10.6
1969	10.8	10.7	10.6	10.5	10.6	10.6	10.7	10.8	10.7	10.7	10.6	10.6	10.6
1970	10.6	10.9	10.7	10.7	10.7	10.9	10.9	10.9	10.9	11.0	10.8	10.9	10.8
1971	11.0	10.6	10.8	10.8	10.8	11.0	11.0	11.0	11.1	11.1	11.2	11.2	11.0
1972	11.1	10.7	10.5	10.4	10.2	10.4	10.6	10.6	10.6	10.6	10.6	11.0	10.6
1973	10.6	10.6	10.7	10.6	10.7	10.7	10.7	10.8	10.6	10.9	10.9	11.0	10.8
1974	11.[illegible]	10.9	10.3	10.3	10.3	10.3	10.4	10.4	10.5	10.5	10.5	10.5	10.5
1975	10.6	11.0	10.9	10.9	10.8	10.9	10.9	10.9	10.9	10.9	11.2	11.2	10.9
1976	11.1	11.1	10.9	11.1	10.9	11.0	11.1	11.1	11.2	11.2	11.2	11.3	11.1
1977 1/	11.1	10.8	10.8	10.8	10.7	10.7	10.9	10.8	11.0	11.0	11.0	11.0	10.9
							YIELD OF MEAL PER BUSHEL CRUSHED						
							POUNDS						
1967	48.0	47.4	46.2	47.6	47.8	47.8	47.8	47.7	47.6	47.7	47.7	47.0	47.7
1968	48.2	47.1	47.3	47.3	46.9	47.2	47.4	47.5	47.2	47.6	47.5	48.3	47.4
1969	47.7	47.1	47.1	47.5	46.9	47.2	47.4	47.4	47.4	47.5	47.6	47.6	47.4
1970	47.7	47.1	47.1	47.2	47.4	47.7	47.4	47.2	47.4	47.3	47.3	47.8	47.4
1971	47.9	47.2	47.1	47.5	47.2	47.5	47.5	47.4	47.2	47.4	47.5	47.7	47.4
1972	47.6	46.8	47.0	46.7	46.9	47.0	46.8	46.8	47.[illegible]	47.0	46.8	48.0	47.0
1973	47.6	46.7	47.0	46.8	47.1	47.1	47.2	47.3	47.2	47.0	47.2	48.1	47.2
1974	46.1	47.6	[illegible]	47.4	47.[illegible]	47.4	47.1	47.6	47.0	47.3	47.5	47.9	47.5
1975	47.4	47.6	47.8	46.5	46.7	46.6	46.7	47.4	47.5	47.5	47.3	48.5	47.3
1976	47.8	47.9	48.0	47.9	47.8	47.7	47.6	47.6	47.5	47.7	47.9	48.3	47.8
1977 1/	47.9	47.0	47.3	47.2	47.1	47.2	47.5	46.8	47.4	47.7	47.5	47.6	47.3
							EXPORTS						
							MILLION BUSHELS						
1967	10.3	25.7	39.9	27.2	21.8	18.6	24.1	21.6	20.1	18.7	17.1	17.3	266.6
1968	13.9	32.8	50.0	38.5	1.2	11.4	36.6	34.3	23.8	14.0	18.2	12.1	286.8
1969	13.3	52.5	53.7	39.9	28.7	31.6	39.2	41.2	37.1	38.5	25.2	31.6	432.6
1970	29.9	44.0	45.3	46.9	35.1	33.4	35.1	32.6	30.2	35.6	34.4	31.3	433.8
1971	29.2	29.4	47.4	50.3	42.4	35.5	31.3	37.3	31.7	31.1	26.3	24.9	416.8
1972	15.0	54.3	61.2	49.7	47.1	54.7	59.1	45.5	41.0	26.5	14.2	11.0	479.4
1973	7.[illegible]	46.6	74.4	58.0	48.3	56.4	57.9	62.[illegible]	43.5	36.1	27.1	21.2	539.1
1974	22.9	32.2	63.2	41.4	5[illegible]	33.3	36.4	35.8	25.1	14.0	31.0	33.4	420.7
1975	24.3	62.7	61.5	49.6	51.8	52.2	52.3	50.5	49.5	47.2	29.2	24.3	555.1
1976	22.2	60.1	67.4	56.7	50.9	59.9	58.4	57.0	55.1	31.0	27.2	18.1	564.1
1977 1/	15.0	77.6	87.7	57.0	52.6	54.4	66.6	72.7	79.3	63.4	34.7	39.3	700.3
							AVERAGE PRICE PER BUSHEL RECEIVED BY FARMERS, UNITED STATES 2/						
							DOLLARS						
1967	2.53	2.44	2.43	2.48	2.53	2.57	2.57	2.56	2.58	2.54	2.52	2.51	2.49
1968	2.49	2.32	2.40	2.42	2.46	2.48	2.48	2.51	2.56	2.52	2.52	2.51	2.43
1969	2.26	2.23	2.30	2.30	2.36	2.40	2.42	2.48	2.52	2.60	2.72	2.65	2.35
1970	2.66	2.77	2.86	2.77	2.86	2.92	2.91	2.80	2.85	2.98	3.18	3.09	2.85
1971	2.95	2.96	2.94	2.93	2.92	3.00	3.21	3.37	3.35	3.32	3.34	3.36	3.03
1972	3.26	3.13	3.30	3.35	4.11	5.49	6.64	6.14	8.27	10.00	6.69	8.99	4.37
1973	5.81	5.63	5.14	5.05	5.[illegible]7	6.07	5.96	5.15	5.21	5.13	6.11	7.55	5.68
1974	7.32	6.17	7.44	7.03	6.[illegible]	5.72	5.31	5.60	5.00	4.90	5.28	5.80	6.64
1975	5.32	4.92	4.45	4.28	4.46	4.50	4.46	4.52	4.87	6.16	6.73	6.07	4.92
1976	6.65	5.90	6.11	6.56	6.81	7.06	7.83	9.05	9.24	8.13	6.52	5.48	6.81
1977 1/	5.17	5.28	5.61	5.68	5.75	5.53	6.20	6.49	6.77	6.69	6.39	6.21	5.79

1/ PRELIMINARY.

2/ SEASON AVERAGE PRICE IS WEIGHTED BY MONTHLY MARKETINGS AND INCLUDES AN ALLOWANCE FOR UNREDEEMED LOANS AND PURCHASE AGREEMENT DELIVERIES BY STATES.

TABLE 5--ESTIMATED NUMBER OF SOYBEAN OIL MILLS AND PROCESSING CAPACITY IN THE UNITED STATES, 1965-78

YEAR BEGINNING SEPTEMBER	PROCESSING MILLS 1/	ANNUAL PROCESSING CAPACITY: TOTAL 2/	UTILIZED 3/	EXCESS 4/	RATIO OF UTILIZED TO TOTAL	AVERAGE PER MILL: PROCESSING CAPACITY	CAPACITY UTILIZED 3/
	NUMBER	MILLION BUSHELS	MILLION BUSHELS	MILLION BUSHELS	PERCENT	MILLION BUSHELS	MILLION BUSHELS
1965	125	600	537	63	89	4.8	4.3
1966	129	650	559	91	86	5.0	4.3
1967	135	750	576	174	77	5.5	4.3
1968	134	750	606	144	81	5.6	4.5
1969	132	800	737	63	92	6.1	5.6
1970	130	875	760	115	87	6.7	5.8
1971	123	900	720	180	80	7.3	5.9
1972	117	925	722	203	78	7.9	6.2
1973	113	1,000	821	179	82	8.8	7.3
1974	108	1,050	701	349	67	9.7	6.5
1975	103	1,100	865	235	79	10.7	8.4
1976	103	1,200	790	410	66	11.7	7.7
1977 5/	99	1,250	927	323	74	12.6	9.4
1978 6/	95	1,300	970	330	75	13.7	10.2

1/ ESTIMATE DEVELOPED BY ESCS FROM CENSUS DATA AND TRADE DIRECTORIES. INCLUDES COTTONSEED AND OTHER OILSEED MILLS THAT PROCESS SIGNIFICANT QUANTITIES OF SOYBEANS. 2/ TRADE ESTMATES. ESTIMATES SHOWN HERE ARE APPROXIMATIONS OF CAPACITY AT THE BEGINNING OF THE BEGINNING OF THE MARKETING YEAR. CAPACITY FLUCTUATES DURING ANY YEAR DUE TO NEW PLANTS COMING INTO OPERATION AND ADDITIONS TO EXISTING MILLS, SOME MILLS BECOMING DORMANT (DUE TO EXPLOSIONS, FIRES, STRIKES, ETC.) AND DISMANTLING OF OLDER MILLS. 3/ SOYBEANS ACTUALLY CRUSHED. 4/ DIFFERENCE BETWEEN TOTAL CAPACITY AND SOYBEAN UTILIZED (CRUSHED). 5/ PRELIMINARY. 6/ FORECAST.

TABLE 6--SOYBEANS: ANNUAL VALUE OF PRODUCTS PER BUSHEL OF SOYBEANS PROCESSED AND SPOT PRICE SPREAD, 1965-77

YEAR BEGINNING SEPTEMBER	VALUE OF PRODUCTS PER BUSHEL: SOYBEAN OIL: YIELD 1/	PRICE 2/	VALUE	SOYBEAN MEAL: YIELD 1/	PRICE 2/	VALUE	TOTAL VALUE	SOYBEAN PRICE: RECEIVED BY FARMERS 3/	NO. 1 YELLOW, ILLINOIS POINTS 4/	SPREAD BETWEEN VALUE OF PRODUCTS AND SOYBEAN PRICES: RECEIVED BY FARMERS	NO.1 YELLOW ILLINOIS POINTS
	POUNDS	CENTS	DOLLARS	POUNDS	CENTS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS	DOLLARS
1965	10.69	11.8	1.26	47.53	4.02	1.91	3.17	2.54	2.91	.63	.26
1966	10.70	10.4	1.11	47.66	3.98	1.90	3.01	2.75	2.86	.26	.15
1967	10.57	8.6	.91	47.71	3.82	1.82	2.73	2.49	2.61	.24	.12
1968	10.61	8.2	.87	47.43	3.76	1.79	2.66	2.43	2.54	.23	.12
1969	10.66	11.0	1.17	47.36	3.89	1.84	3.01	2.35	2.53	.66	.48
1970	10.83	12.8	1.38	47.39	3.96	1.88	3.26	2.85	3.00	.41	.26
1971	10.98	11.5	1.26	47.43	4.36	2.07	3.33	3.03	3.24	.30	.09
1972	10.59	15.2	1.62	47.64	11.03	5.19	6.81	4.37	6.22	2.44	.59
1973	10.76	30.2	3.25	47.18	7.61	3.59	6.84	5.68	6.12	1.16	.72
1974	10.51	32.1	3.37	47.48	6.56	3.12	6.49	6.15	6.32	.34	.17
1975	10.94	18.5	2.02	47.27	7.20	3.40	5.42	4.92	5.26	.50	.16
1976	11.09	24.1	2.67	47.81	10.14	4.85	7.52	6.81	7.33	.71	.19
1977 5/	10.89	23.8	2.59	47.37	8.09	3.83	6.42	5.80	6.14	.62	.28

1/ ACTUAL OUT TURN OF OIL AND MEAL AS CALCULATED FROM BUREAU OF CENSUS REPORTS. 2/ SIMPLE AVERAGE OF MONTHLY CASH PRICES PER POUND USING THE FOLLOWING QUOTATIONS: SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS: SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. 3/ SEASON AVERAGE PRICE RECEIVED BY FARMERS WEIGHTED BY THE ESTIMATED PERCENT OF THE CROP SOLD EACH MONTH. 4/ SIMPLE AVERAGE OF MONTHLY PRICES. 5/ PRELIMINARY. 6/ ERS ESTIMATE.

TABLE 7--SOYBEANS: MONTHLY AVERAGE SPOT PRICE SPREAD BETWEEN SOYBEAN PRICES AND VALUE OF SOYBEAN OIL AND MEAL PER BUSHEL OF SOYBEANS PROCESSED, 1965-77 1/

YEAR BEGINNING SEPTEMBER	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	ANNUAL AVERAGE
	CENTS PER BUSHEL												
1965	45	51	51	27	36	27	9	11	9	13	15	25	26
1966	33	23	12	18	15	16	12	8	6	10	9	22	15
1967	32	11	12	7	8	14	11	7	6	9	13	16	12
1968	36	29	12	1	-1	4	9	4	5	7	6	22	12
1969	37	61	45	56	59	77	53	50	25	24	39	48	48
1970	47	45	36	38	25	16	15	6	10	22	26	23	26
1971	14	19	11	11	8	8	10	8	4	0	8	9	9
1972	23	28	29	100	100	70	0	-17	27	90	117	152	59
1973	143	59	53	132	91	130	41	22	30	29	58	77	72
1974	18	32	1	9	13	11	19	30	7	15	25	20	17
1975	19	34	23	16	10	12	9	6	11	15	26	18	17
1976	19	13	19	20	17	25	8	26	21	30	14	28	20
1977 2/	42	14	26	26	32	28	40	14	35	25	31	30	28

1/ SPOT SPREADS ARE CALCULATED FROM SIMPLE AVERAGE MONTHLY CASH PRICES USING THE FOLLOWING QUOTATIONS: SOYBEAN PRICES, NO. 1 YELLOW, ILLINOIS POINTS; SOYBEAN OIL, CRUDE, TANK CARS, F.O.B. DECATUR, ILLINOIS; SOYBEAN MEAL, BULK, 44 PERCENT PROTEIN, DECATUR, ILLINOIS. THESE DATA DO NOT REFLECT ACTUAL OPERATING MARGINS SINCE PRICES ARE SIMPLE AVERAGES AND DO NOT TAKE INTO ACCOUNT LOCATION DIFFERENTIALS OR ACTUAL PURCHASES AND SALES OF SOYBEANS, SOYBEAN OIL, AND SOYBEAN MEAL. 2/ PRELIMINARY.

oil has shown a strong uptrend for many years and now accounts for over 60 percent of all food fats and oils utilized in the United States.

Soybean oil exports in 1978/79 are projected at about 1.8 billion pounds, down from last season's record high 2.0 billion pounds. P.L. 480 sales (Titles I and II) are expected to total 0.4 billion pounds in 1978/79, CCC credit sales another 0.2 billion pounds, and the remainder dollar sales. The prospective decline in export demand mainly reflects improved oilseed crops in many foreign countries.

In 1977/78 about one-fourth (500 million pounds) of the year's exports went to India where vegetable oil consumption is growing. The PRC and Pakistan imported large quantities—an estimated 450 million pounds. Peru, Iran, and Bangladesh were also large importers of U.S. soybean oil.

Soybean oil prices (crude, Decatur) advanced from 19 cents per pound last October to 29 cents in May and then declined slightly. Prices averaged about 25 cents per pound for the entire 1977/78 marketing year, compared with 24 cents the year before.

Soybean oil prices during 1978/79 are expected to be relatively more stable than last season—possibly averaging near last year's 25 cents per pound. Increased competition from other sources of vegetable oils both here and overseas will tend to check any price rise in U.S. soybean oil. Of course, any unexpected pickup in export demand from India or the PRC will provide more strength to U.S. soybean oil prices.

SOYBEAN MEAL

Domestic Use Expanding

U.S. soybean meal supplies for 1978/79 are projected at 23.3 million short tons, compared with 22.6 million last season. Domestic use of soybean meal is projected at 17.2 million tons, some 5 percent more than in 1977/78. The increases in farrowings (up 3 percent from a year ago), broiler production (up 9 percent), and cattle on feed (up 7 percent) all point to heavier consumption of high-protein feeds in 1978/79.

Feed use of corn and other grains is expected to increase some 6 percent in 1978/79 which will also stimulate the demand for soybean meal, although corn prices likely will be more competitive.

Soybean meal exports are expected to be maintained at around 5.8 million short tons, slightly below 1977/78. A supporting factor has been the decline in the U.S. dollar value relative to European currencies and the Japanese yen. Over half of our meal exports are to the European Community (EC), with Japan and East Europe also ranking as large importers.

The bulk of U.S. soybean meal moving abroad is in the form of soybeans rather than the processed commodity. Many countries prefer to process soybeans and Brazil has moved large quantities of soybean meal into the world markets in recent years.

Soybean meal prices (44 percent protein, Decatur) during 1977/78 fluctuated between $135 per ton and $177, averaging $164. Prices during 1978/79 are expected to be relatively more stable, averaging around $180 per ton, or about $15 above last year.

WORLD OUTLOOK

Production Rising

World production of protein meals in 1978/79 is projected at around 82 million metric tons (soybean meal equivalent), better than 6 percent above last season. World production of oilseeds, fats, and oils is expected to reach around 55 million tons, 5 percent above 1977/78.

Prospective increases in foreign output will account for nearly all of the increase in oil production and four-fifths of the expansion in meal production. This is in sharp contrast to 1977/78 when the major part of the expansion in output occurred in the United States.

Anticipated expansion in the Southern Hemisphere—Brazil and Argentina—soybean output in 1979 accounts for three-fourths the aggregate gain in foreign meal production and a third of the increase in foreign oil production. Since this expansion will come largely from crops now being planted and not available before April 1979, this early season appraisal is tentative.

Meal and oil production projections for 1978/79 assume the following:

- A 1979 Brazilian soybean crop of 13½ million tons—up a third from this year's drought-reduced volume.
- A 1979 Argentine soybean crop of about 3 million tons—one-fourth above the 1978 volume.
- A 1978 Indian peanut crop of about 6 million tons—up a tenth from the 1977 volume.
- A 1978 Senegalese peanut harvest about double last year's reduced volume of 0.6 million tons.
- A 1978 Canadian rapeseed crop is expected to run about 50 percent above the 1.8-million-ton 1977 crop.

- A prospective 1978 Soviet sunflowerseed crop of about 6.5 million tons, up a tenth from 1977, but harvest problems have developed.
- Malaysia's 1979 palm oil production at about a fourth above this year's output of 1.5 million tons.
- A 1979 Philippine copra production of roughly 2 million tons—down 15 percent from 1978—reflecting less favorable rainfall.

PALM OIL

Imports May Increase Slightly

Palm oil imports into the United States during 1978/79 should increase from the 375 million pounds of last season, possibly totalling around 425 million pounds. A rebound in Malaysian palm oil production from the drought-stricken output of last year could encourage expanded imports, assuming prices are competitive with domestic soybean oil. However, complete recovery from the drought is not expected, which should tend to limit palm oil production.

Palm oil prices (c.i.f. U.S. ports, bulk) increased from around 20 cents per pound in October 1977 to 31 cents in July 1978 and then softened a little in August and September. For the entire 1977/78 marketing year, which ended in September, prices averaged about 26 cents per pound, approximately 2 cents above the previous year. Prices in mid-October were around 30 cents, 10 cents above a year ago and somewhat above soybean oil.

COCONUT OIL

Imports May Drop

Coconut oil imports during the 1978/79 marketing year may drop from the 1-billion-pound level of last season if coconut oil prices continue near their currently high levels for any length of time. Philippine coconut oil output in 1979 is expected to be down about 15 percent from this year, an indication that relatively high prices probably will continue.

Domestic disappearance likely will drop from the 1-billion-pound level of last season if imports are near our estimate. However, high oil prices and larger supplies of soybean oil could cut use in such outlets as margarine, shortening, and cooking and salad oils.

Coconut oil prices (crude, Pacific Coast) during 1977/78 averaged 30 cents per pound, approximately 2 cents above the previous year. Prices rose from 24 cents in October 1977 to 40 cents in September.

COTTONSEED

1978 Crop Off Sharply

Reduced harvested cotton acreage and smaller cottonseed yields per acre are resulting in sharply lower cottonseed production in 1978. Output is estimated at 4.2 million short tons (3.8 metric tons), about a fourth below last year's crop. Cottonseed supplies for the 1978/79 marketing year which began August 1 are estimated at 5 million short tons, about 13 percent below last season. Larger carryover stocks on August 1 partially offset the sharp reduction in output.

Cottonseed crushings will not be down as much as production since ending stocks are expected to be whittled down to a more normal level. Crushings are estimated at about 4 million tons. A crush of this size likely will yield about 1.3 billion pounds of cottonseed oil and 1.9 million tons of cottonseed meal.

Cottonseed prices for farmers during August-September averaged $89 per ton, compared with $76 for the same period last year. Prices for the entire season are estimated at around $90 per ton, up from $71 for 1977/78.

COTTONSEED OIL

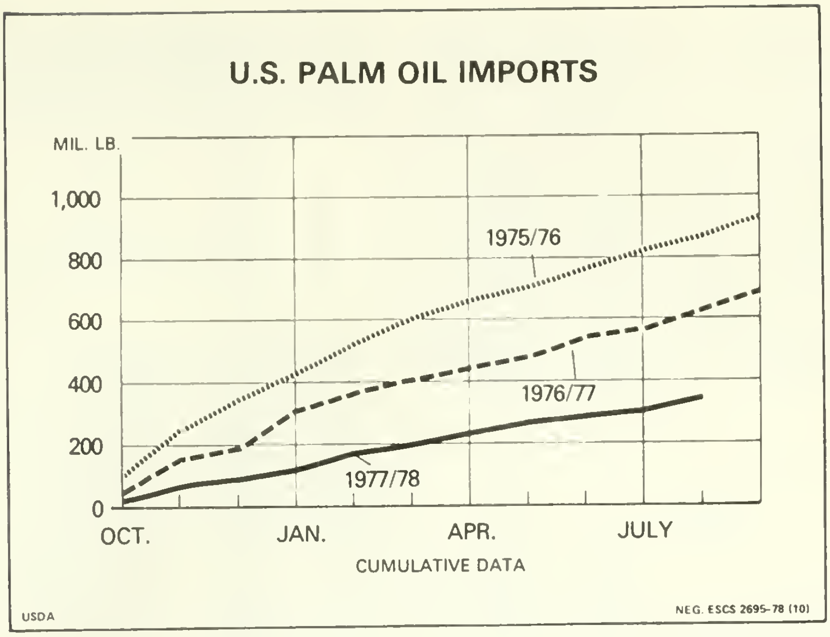
Supplies Are Down

Cottonseed oil supplies for the 1978/79 marketing year are estimated at 1.4 billion pounds, somewhat below last year.

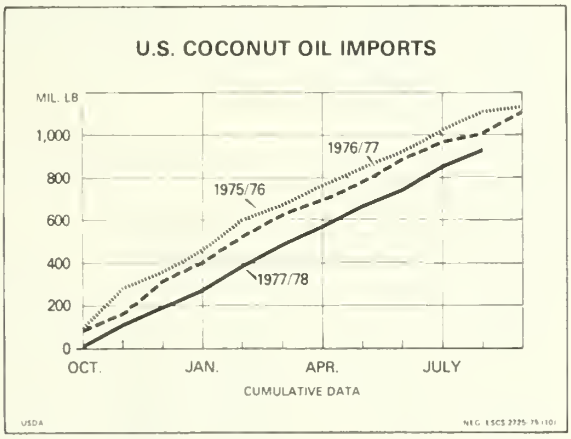
Domestic disappearance may approximate the 0.7 billion pounds of last season. However, large supplies of such competing oils, as soybean and sunflower will provide stiff competition. These vegetable oils compete as ingredients in the manufacture of shortening, margarine, and cooking and salad oils.

Cottonseed oil exports are expected to fall below the 0.7 billion pounds of last year. Although world supplies of vegetable oils likely will be larger, U.S. cottonseed oil is preferred in Western Europe, South America, and Egypt and should remain competitive in these areas.

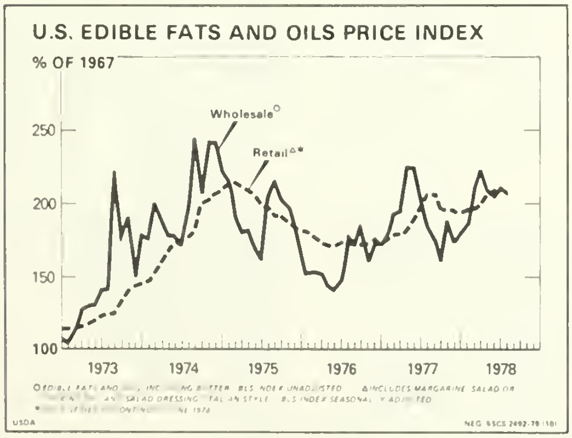
Cottonseed oil prices (crude, Valley) are strong, reflecting in part the smaller cottonseed crop and good demand for cottonseed oil. During August-September, prices averaged 31 cents per pound,


U.S. PALM OIL IMPORTS

USDA NEG. ESCS 2695-78 (10)


U.S. COCONUT OIL IMPORTS

USDA NEG. ESCS 2725-78 (10)


U.S. EDIBLE FATS AND OILS PRICE INDEX

○EDIBLE FATS AND OILS, INCLUDING BUTTER. BLS INDEX UNADJUSTED. △INCLUDES MARGARINE, SALAD OR [illegible] AND SALAD DRESSING (ITALIAN STYLE). BLS INDEX SEASONALLY ADJUSTED. *[illegible] CONTINUED [illegible] 1978

USDA NEG. ESCS 2492-78 (10)

TABLE 8--FOOD FATS AND OILS: SUPPLY, DISAPPEARANCE, AND PER CAPITA DISAPPEARANCE, 1969-78

ITEM	YEAR BEGINNING OCTOBER									
	1969	1970	1971	1972	1973	1974	1975	1976	1977 1/	1978 2/
	MILLION POUNDS									
STOCKS, OCTOBER 1										
BUTTER	155	171	222	178	94	106	40	68	203	282
LARD	56	60	77	44	28	48	23	34	32	30
TALLOW, EDIBLE	26	37	63	36	19	32	24	59	33	47
COCONUT OIL	108	102	108	111	114	122	107	127	137	137
CORN OIL	71	60	58	70	57	68	52	41	46	71
COTTONSEED OIL	377	121	94	114	114	110	136	105	79	79
SOYBEAN OIL	415	543	773	785	516	794	561	1,251	767	792
PALM OIL	28	20	36	93	60	88	127	138	131	86
PALM KERNEL OIL	20	15	26	24	20	26	20	27	46	26
PEANUT OIL	17	12	24	18	18	22	44	199	171	46
SAFFLOWER OIL	61	29	29	39	31	8	25	44	25	25
SUNFLOWER OIL	---	---	---	---	---	---	---	20	0	25
SUB-TOTAL	1,334	1,170	1,510	1,512	1,071	1,424	1,159	2,113	1,670	1,646
FINISHED PRODUCTS 3/	217	236	236	254	206	247	213	271	254	250
TOTAL FOOD FATS AND OILS	1,551	1,406	1,746	1,766	1,277	1,671	1,372	2,384	1,924	1,896
IMPORTS										
BUTTER	2	2	2	2	56	2	2	2	2	2
TALLOW, EDIBLE	4/	4/	4/	1	4/	4/	---	---	---	---
OLIVE OIL	63	67	67	58	49	46	63	56	60	60
COCONUT OIL	562	606	634	687	563	674	1,248	1,115	1,000	900
CORN OIL	3	1	---	4/	1	2	1	10	5	5
COTTONSEED OIL	4/	4/	---	4/	4/	---	---	---	---	---
PALM OIL	122	207	440	363	346	757	933	661	375	425
PALM KERNEL OIL	80	105	90	102	126	160	158	157	125	150
PEANUT OIL	4/	4/	4/	4/	1	4/	2	---	---	---
SESAME OIL	2	2	2	2	3	2	3	3	3	3
SUNFLOWER OIL	---	---	---	---	---	1	2	---	---	---
TOTAL	834	990	1,235	1,215	1,145	1,644	2,412	2,004	1,570	1,545
PRODUCTION										
BUTTER	1,129	1,148	1,121	956	927	995	946	1,086	1,040	950
LARD	1,833	2,044	1,667	1,302	1,349	1,111	999	1,061	1,000	975
TALLOW, EDIBLE	566	550	523	481	556	557	527	532	780	825
OLEO OIL & STEARINE 5/	11	4	5	8	9	11	7	8	10	10
COCONUT OIL	298	205	336	310	93	---	---	---	---	---
CORN OIL	474	485	499	523	528	465	644	669	735	775
COTTONSEED OIL	1,251	1,235	1,308	1,564	1,552	1,335	920	1,198	1,450	1,250
SOYBEAN OIL	7,904	8,265	7,892	7,501	8,995	7,375	9,630	8,578	10,275	10,475
PEANUT OIL	180	266	265	273	195	236	494	312	135	275
SAFFLOWER OIL (ESTIMATE)	100	120	140	150	100	115	100	75	95	95
SUNFLOWER OIL	---	---	---	---	---	92	110	37	225	300
SUB-TOTAL	13,746	14,322	13,756	13,068	14,304	12,292	14,377	13,556	15,745	15,930
OILSEEDS (OIL EQUIVALENT OF EXPORTS)	5,007	4,857	4,556	5,299	6,221	4,887	6,445	6,453	8,465	8,915
TOTAL SUPPLY	21,138	21,575	21,293	21,348	22,947	20,494	24,606	24,397	27,704	28,286
EXPORTS AND SHIPMENTS										
BUTTER	8	27	124	18	8	4	3	4	1	1
LARD	405	382	220	132	180	148	185	249	175	175
TALLOW, EDIBLE	11	6	5	20	43	17	22	23	16	25
OLEO OIL & STEARINE	11	4	5	8	9	11	7	8	10	10
COCONUT OIL	9	17	20	19	17	14	53	31	35	25
CORN OIL	34	43	49	44	68	84	98	93	90	125
COTTONSEED OIL	453	373	453	584	565	696	500	691	730	625
PALM OIL	8	8	32	40	24	27	39	57	60	60
PEANUT OIL	34	60	71	111	42	40	104	74	110	100
PROCESSED FOOD OILS 6/	63	67	70	67	91	77	101	88	75	75
SAFFLOWER OIL (ESTIMATE)	25	20	40	40	25	25	25	15	25	25
SOYBEAN OIL	1,449	1,782	1,440	1,086	1,461	1,090	1,034	1,608	2,000	1,800
SUNFLOWER OIL	---	---	---	---	---	9	10	31	100	125
SUB-TOTAL	2,510	2,789	2,529	2,169	2,533	2,232	2,181	2,959	3,427	3,171
OILSEED (OIL EQUIVALENT)										
COTTONSEED	9	12	1	3	17	2	26	4	15	10
SOYBEANS	4,941	4,764	4,429	5,191	6,100	4,643	6,083	6,126	7,700	8,030
PEANUTS (FOR CRUSHING ABROAD)	12	58	71	56	68	54	---	1	---	---
SAFFLOWER	45	23	55	49	36	38	26	22	25	25
SUNFLOWER SEED	---	---	---	---	---	150	310	300	725	850
SUB-TOTAL	5,007	4,857	4,556	5,299	6,221	4,887	6,445	6,453	8,465	8,915
TOTAL EXPORTS	7,517	7,646	7,085	7,468	8,754	7,119	8,626	9,412	11,892	12,086
DOMESTIC DISAPPEARANCE										
BUTTER	1,106	1,075	1,043	1,024	964	1,059	917	948	960	950
LARD	1,425	1,645	1,480	1,185	1,150	989	803	814	830	810
TALLOW, EDIBLE	544	518	546	479	500	548	470	534	750	800
COCONUT OIL	855	788	948	974	631	675	1,175	1,075	965	900
CORN OIL	454	445	439	492	450	399	559	581	625	675
COTTONSEED OIL	1,052	890	834	980	991	622	451	532	720	625
SOYBEAN OIL	6,328	6,253	6,439	6,685	7,255	6,518	7,906	7,454	8,250	8,500
OLIVE OIL	63	67	67	58	49	46	63	56	60	60
PALM OIL	122	182	351	356	294	692	883	611	360	365
PALM KERNEL OIL	85	94	92	107	120	165	151	138	145	150
PEANUT OIL	151	193	200	162	150	175	237	265	150	175
SAFFLOWER OIL (ESTIMATE)	107	100	90	118	98	75	75	70	70	70
SESAME OIL	2	2	2	2	3	2	3	3	3	3
SUNFLOWER OIL	---	---	---	---	---	83	80	26	100	150
PROCESSED FOOD OILS 6/	-63	-67	-70	-67	-91	-77	-101	-88	-75	-75
TOTAL	12,231	12,185	12,461	12,555	12,564	11,971	13,672	13,019	13,910	14,158
TOTAL (CALCULATED NET) 7/	12,212	12,185	12,443	12,603	12,523	12,005	13,614			
TOTAL USE FOR FOOD 8/	10,988	11,057	11,312	11,501	11,597	11,340	12,172	11,711	12,500	
PER CAPITA DISAPPEARANCE	POUNDS									
BUTTER (FAT CONTENT)	4.4	4.2	4.0	3.9	3.7	4.0	3.4	3.5		
MARGARINE (FAT CONTENT)	8.7	8.7	8.9	9.0	9.0	8.8	9.6	9.3		
LARD (DIRECT USE)	4.5	4.6	3.7	3.5	3.2	3.0	2.8	2.3		
BAKING AND FRYING FATS	17.6	17.0	17.3	17.3	17.3	16.6	18.3	17.2		
SALAD AND COOKING OILS	15.0	15.6	16.7	17.4	18.5	17.8	19.5	19.0		
OTHER EDIBLE USES	2.6	2.3	2.7	2.7	2.1	2.0	2.1	1.9		
TOTAL (FAT CONTENT)	52.8	52.5	53.3	53.8	53.9	52.2	55.8	53.3	56.4	56-57

1/ PRELIMINARY. 2/ FORECAST. 3/ SHORTENING, MARGARINE (FAT CONTENT), AND SALAD AND COOKING OILS. 4/ LESS THAN 500,000 POUNDS. 5/ REPRESENTS EXPORTS ONLY; PRODUCTION DATA ARE NOT AVAILABLE. 6/ INCLUDES EXPORTS OF PROCESSED FOOD OILS NOT CLASSIFIED BY KIND, SHORTENING AND OTHER SECONDARY FATS. 7/ ADJUSTED TO REFLECT CHANGES IN STOCKS OF FINISHED PRODUCTS. 8/ EXCLUDES FOOD FATS AND OILS USED FOR NON-FOOD PURPOSES.

about 10 cents above the same period a year ago. Prices may moderate some as crushings and oil production increase seasonally. Nevertheless, prices likely will remain relatively strong. Last season prices averaged 24 cents per pound.

COTTONSEED MEAL

Use Expected To Decline

Cottonseed meal supplies for the 1978/79 marketing year total 2 million tons, somewhat below the previous year. Domestic disappearance likely will total 1.8 million tons, down from last season's usage. More cattle in feedlots and good feeding rates per animal are factors which should tend to keep usage strong for the reduced cottonseed meal supplies. Export may total near 100,000 tons, down some from last year.

During August-September, cottonseed meal prices (41 percent protein, Memphis) averaged around $150 per ton, compared with $123 for the similar period the year before. Prices are relatively strong, reflecting the good demand for oilseed meals.

SUNFLOWERSEED

1978 Crop Record High

Sunflowerseed production in the 4 major producing States of Minnesota, North Dakota, South Dakota, and Texas is estimated at 3.4 billion pounds (1.5 million metric tons), nearly a fourth above output in 1977. An increase in harvested acreage of about a fifth primarily accounts for the expansion, as yields per acre were up only slightly. Acreage for harvest increased from 2.2 million to 2.7 million acres. Yields per acre at 1,271 pounds compared with 1,252 pounds in 1977. Of course, sunflowers are grown commercially in other States but national data are not available. Most U.S. sunflowers are of the oilseed variety although the birdfeed variety continues popular in some areas.

A sharp drop in the Texas crop was more than offset by large gains in North Dakota along with smaller increases in Minnesota and South Dakota. The decline in Texas resulted from sharply reduced acreage, as yields per acre were up. Many sunflower planting intentions in Texas did not materialize because of dry conditions which persisted throughout the summer. Some dryland fields which were planted were plowed up because the crop failed to develop.

A hefty increase in acreage harvested in North Dakota accounts for the large expansion in that State, as yields per acre are down 55 pounds from 1977. Production of 2.2 billion pounds is up about a third and accounts for nearly two-thirds of the 4-State output, compared with about three-fifths last year. The less dramatic gain in Minnesota is due to larger harvested acreage and in South Dakota results from slightly larger acreage and improved yields per acre. For a more comprehensive analysis, readers are referred to a special article entitled, 'The U.S. Sunflower Situation' which appeared in the July 1978 issue of the *Fats and Oils Situation*, FOS-292.

LARD

Output May Decline

Lard production during the 1978/79 marketing year which began October 1 is estimated at just under 1 billion pounds, off slightly from the previous year. Although hog slaughter may be up a little, lower lard yields per hog will be more than offsetting as high pork prices likely will favor lighter fat trim and slightly lower lard outturns.

Domestic disappearance of lard likely will total near the 0.8 billion pounds of last season. The direct use of lard probably will continue near last year's level or could even decline slightly, with the balance used in the manufacture of margarine and shortening. The combination of declining lard output and a shift away from consumption of animal fats to vegetable oils has resulted in record low domestic use of lard. Over the past 3 seasons domestic disappearance has hovered around 0.8 billion, an all-time low.

Exports and shipments in 1978/79 again may approximate 0.2 billion pounds, the same as last season. As with domestic disappearance, lard exports have declined because of the drop in production. Nevertheless, a ready market exists for U.S. lard overseas, particularly in the United Kingdom, South America, and several other areas, despite competition with lard from the European Community.

Lard prices (tanks, loose, Chicago) last season averaged around 22 cents per pound, roughly 1 cent below the previous year. Prices ranged from a low of 19 cents to a high of 26 cents. Prices this season are starting at a higher level and likely will continue so. Nevertheless, lard prices are still averaging below such other major food fats as soybean, cottonseed, and palm oils.

TABLE 9--PEANUTS: ACREAGE, PRODUCTION AND PRICE, BY STATES AND AREAS, 1976-78

STATE AND AREA	ACREAGE HARVESTED FOR NUTS			YIELD PER ACRE HARVESTED			PRODUCTION 1/			PRICE PER POUND RECEIVED BY FARMERS (SEASON AVERAGE)		
	1976	1977	1978	1976	1977	1978	1976	1977	1978	1976	1977 2/	1978 2/
	- - 1,000 ACRES - -			- - - POUNDS - - -			- - MILLION POUNDS - -			- - - - CENTS - - - -		
VIRGINIA	103.0	103.0	103.0	3,000	2,845	3,000	309	293	309	19.7	21.3	---
NORTH CAROLINA	166.0	166.0	166.0	2,655	2,675	2,600	441	444	432	19.6	20.6	---
TOTAL VA.-N.C. AREA	269.0	269.0	269.0	2,787	2,740	2,753	750	737	741	19.6	20.9	---
SOUTH CAROLINA	15.5	15.0	15.2	1,590	2,080	2,000	25	31	30	19.8	21.0	---
GEORGIA	526.0	526.0	526.0	2,955	2,850	3,300	1,554	1,500	1,736	20.0	20.9	20.8
FLORIDA	55.0	55.0	53.0	3,000	3,100	3,400	165	171	180	20.4	20.7	21.4
ALABAMA	214.0	215.0	215.0	2,400	2,740	2,700	514	589	581	20.6	22.2	22.3
MISSISSIPPI	8.5	7.0	6.8	1,450	1,650	1,550	12	12	11	20.5	22.0	---
TOTAL S. E. AREA	819.0	818.0	816.0	2,772	2,814	3,110	2,270	2,303	2,538	20.2	21.2	---
OKLAHOMA	120.0	120.0	120.0	2,050	2,230	1,800	246	268	216	20.8	21.4	---
TEXAS	304.0	300.0	301.0	1,525	1,315	1,450	464	395	436	18.9	19.6	21.3
NEW MEXICO	9.5	9.4	9.6	2,280	2,700	2,300	22	25	22	24.5	25.0	---
TOTAL S. W. AREA	433.5	429.4	430.6	1,687	1,601	1,566	732	688	674	19.7	20.5	---
TOTAL U.S.	1,521.5	1,516.4	1,515.6	2,465	2,457	2,608	3,751	3,726	3,953	20.0	21.0	21.2

1/ FARMERS' STOCK BASIS, NET WEIGHT, BASED ON OCTOBER 1 INDICATIONS.
2/ PRELIMINARY.

TABLE 10--PEANUTS (FARMERS' STOCK BASIS): SUPPLY, DISAPPEARANCE, AND PRICE, 1950-78

YEAR BEGINNING AUGUST 1	SUPPLY				DISAPPEARANCE						PRICE PER POUND	
	PRODUCTION	IMPORTS	BEGINNING STOCKS AUGUST 1	TOTAL SUPPLY	EXPORTS AND SHIPMENTS	CRUSHED FOR OIL	SEED, FEED, FARM LOSS AND SHRINKAGE	DOMESTIC FOOD USE: MILITARY	CIVILIAN: TOTAL	CIVILIAN: PER CAPITA	RECEIVED BY FARMERS	SUPPORT
	- - - MILLION POUNDS - - -									POUNDS	- - CENTS - -	
1950	2,035	---	187	2,222	69	629	211	14	967	6.4	10.9	10.8
1951	1,659	---	332	1,991	8	432	120	10	1,005	6.6	10.4	11.5
1952	1,356	---	416	1,772	3	195	144	10	998	6.4	10.9	12.0
1953	1,574	1/	422	1,996	239	303	151	10	1,007	6.4	11.1	11.9
1954	1,008	180	286	1,474	9	107	130	7	1,012	6.3	12.2	12.2
1955	1,548	5	209	1,762	6	257	157	1	954	5.8	11.7	12.2
1956	1,607	5	387	1,999	102	260	152	3	1,026	6.1	11.2	11.4
1957	1,436	2	456	1,894	48	239	162	3	1,081	6.4	10.4	11.1
1958	1,814	2	361	2,177	62	335	170	8	1,088	6.2	10.6	10.66
1959	2/1,523	1	514	2,038	72	292	96	3	1,151	6.5	9.6	9.68
1960	1,718	1/	424	2,142	81	362	87	8	1,236	6.9	10.0	10.06
1961	1,657	3	368	2,028	34	256	84	7	1,258	6.9	10.9	11.05
1962	1,719	2	389	2,110	43	302	75	8	1,285	6.9	11.0	11.07
1963	1,942	2	397	2,341	97	380	107	5	1,342	7.1	11.2	11.20
1964	2,099	2	410	2,511	179	473	75	8	1,403	7.4	11.2	11.20
1965 3/	2,384	1	373	2,758	238	517	137	14	1,431	7.4	11.4	11.20
1966	2,410	2	412	2,824	222	587	211	2	1,418	7.3	11.3	11.35
1967	2,473	2	4/372	2,847	198	644	156	3	1,493	7.6	11.4	11.35
1968	2,543	2	353	2,898	105	654	243	3	1,536	7.7	11.9	12.01
1969	2,529	1	357	2,888	140	581	237	3	1,574	7.8	12.3	12.38
1970	2,979	2	353	3,334	290	799	209	3	1,580	7.8	12.8	12.75
1971	3,005	2	453	3,460	552	814	79	1/	1,623	7.9	13.6	13.42
1972	3,275	2	392	3,669	521	850	175	---	1,694	8.2	14.5	14.25
1973	3,474	1	429	3,904	709	683	119	---	1,840	8.8	16.2	16.42
1974	3,668	1	553	4,222	740	590	-54	---	1,800	8.5	17.9	18.3
1975	3,857	1	1,146	5,004	434	1,447	193	---	1,870	8.7	19.6	19.7
1976	3,751	1	1,060	4,812	783	1,108	513	---	1,800	8.4	20.0	20.7
1977 5/	3,726	1	608	4,335	1,025	487	392	---	1,850	8.6	21.0	21.5
1978 6/	3,953	1	581	4,535	800	1,000		---	1,900	8.8	21.0	21.0
1979												

1/ LESS THAN 500,000 POUNDS.
2/ BEGINNING WITH 1959 CROP, PRODUCTION REPORTED ON NET WEIGHT BASIS. PRIOR YEARS WERE GROSS WEIGHT.
3/ BEGINNING 1965 REPORTED CRUSH AND EXPORT OF SHELLED PEANUTS CONVERTED TO FARMERS' STOCK BY 1.33 FACTOR.
4/ NET WEIGHT BASIS BEGINNING 1967.
5/ PRELIMINARY.
6/ FORECAST.

PEANUTS

New Program Begins with 1978 Crop

The Food and Agriculture Act of 1977 amended the peanut price support program by establishing a two-tier pricing system and national poundage quotas which limit the quantity of peanuts eligible for support at the higher price. For the 1978 crop, the national acreage allotment is 1,614,000 acres, and the national poundage quota is 1,680,000 tons, both at the legal minimum.

The Secretary of Agriculture has discretionary authority to increase the national poundage quota and allotment as necessary to meet requirements for domestic edible use, exports, and a reasonable carryover.

The 1978 loan rate for quota peanuts is $420 per ton (21 cents per pound), the legal minimum. The Secretary also has discretionary authority to increase the quota loan rate and to establish the loan rate for additional peanuts, taking into consideration export and crushing demand and price levels. For a more detailed explanation of the new program, readers are referred to the special article entitled 'The New Peanut Program' published in the October 1977 issue of the *Fats and Oils Situation*, FOS-289.

1978 Crop Record High

The 1978 peanut crop is estimated at a record 4.0 billion pounds (farmers' stock basis), 6 percent above the 1977 output. Record production in the southeastern area mainly accounts for the increase. Production is down slightly in the Southwest and about unchanged in the Virginia-North Carolina area. National average yield per acre at 2,608 pounds is up 151 pounds from last year and a new record. Acreage for harvest at 1.5 million acres is virtually the same as in 1977. Adding carryover, the 1978/79 peanut supply totals 4.5 billion pounds, about 4 percent above last year.

Edible use of peanuts in 1978/79 is expected to increase around 3 percent from last season's level, possibly approaching 1.85 billion pounds or nearly 9 pounds per person. Last year, use in edible outlets totaled 1.8 billion or 8.6 pounds per person. Use was up in salted peanuts, peanut butter sandwiches, and other miscellaneous products, but off slightly in peanut candy and peanut butter.

Last season, peanut crushings declined to 487 million pounds (farmers' stock basis), about 56 percent below 1976/77 and the smallest crush since 1964. A smaller 1977 peanut crop plus good overseas demand for U.S. peanuts were instrumental in the reduced crush. With larger peanut supplies this year and with prospective foreign demand not as strong, domestic crushings should increase. For the entire season, crushings are estimated at 1.0 billion pounds, or double the 1977/78 rate.

Peanut exports, which soared to a record 1.0 billion pounds last season, likely will decline this year to around 0.8 billion pounds. Increased peanut production in major producing areas of the world such as India and Africa are expected to lessen the dependence upon U.S. supplies. The United States is a residual supplier in foreign markets when world peanut supplies are short. U.S. exports last season were mainly edible peanuts where as historically we shipped peanuts abroad primarily for crushing.

In spite of prospects for increased domestic use, peanut supplies exceed requirements for edible and farm use. As a result, the Commodity Credit Corporation is expected to take under loan about 15 percent of the crop.

The 1978 peanut crop is being supported at a national average loan rate of $420 per ton (21.0 cents per pound), compared with $430.50 in 1977. However, last season farmers were required to pay $20 per ton to cover storage, handling, and inspection costs. Because these fees will not be charged this year, farmers will receive the the entire $420, compared with the effective support level of $410.50 in 1977. Support by type is as follows: Virginia, $420.74; Runner, $422.88; Valencias from the Southwest suitable for cleaning and roasting, $420.74; and $405.25 for other Valencias and Spanish type nuts.

Each peanut farm is assigned a peanut acreage allotment and a poundage quota. If more peanuts are grown on the acreage allotment than are covered by the farm's poundage quota, these extra peanuts are termed 'additional' and are supported at a lower level than quota peanuts. For the 1978 crop, the support rate for additional peanuts is 59.5 percent of those for quota peanuts.

Prices received by farmers during the 1978/79 marketing year are expected to average around 21 cents per pound, near the support level and near last season's average.

FLAXSEED

Supplies Tighter

The 1978/79 flaxseed supply totals 18 million bushels, nearly 2 million bushels below last season. The 1978 flaxseed crop, at 11.7 million bushels, is about 4½ million bushels below 1977 and mainly accounts for the decline. The reduced output stems from a sharp drop in harvested acreage, which at 0.9 million acres, is down about a third. Yield per acre, at 12.6 bushels, is up over 1 bushel. Starting stocks on June 1, 1978 totaled 6 million bushels, double a year ago.

Flaxseed crushings likely will total around 11 million bushels, down from the 11.6 million of last season. The smaller supplies likely will limit crushings, although in recent years the crush has ranged between 10 and 12 million bushels. Crushings hit a record low of 10.7 million bushels in 1976/77, a year of record low supplies and high prices. Flaxseed crushings in the early 1950's were as high as 42 million bushels. Declining demand for linseed oil is a factor behind the long-term reduced demand for crushings.

Flaxseed prices received by farmers during June-September averaged $5.15 per bushel, compared with $4.69 for the similar period last season. Prices dropped from $5.66 last June to $4.75 in July. Subsequently they increased to over $5.00. Some seasonal increases are likely over the next several months.

USDA Purchase Price Set at $4.50 Per Bushel

On July 20, the USDA announced a national purchase price of $4.50 per bushel for the 1978-crop of flaxseed. This purchase agreement program is the first type of price support offered by the USDA for flaxseed since 1974.

Under the program, producers sign agreements that obligate the CCC to purchase flaxseed at the county purchase price. These agreements are not binding on producers. Producers may sell their flaxseed at any time, thus voiding the agreement. The agreement program assures producers that they will receive at least the government purchase price for their crop.

Producers may sign agreements any time up to the maturity date of the agreement. In the major flaxseed-producing States of Minnesota, North Dakota, South Dakota, and Montana, the maturity date for 1978-crop flaxseed is May 31, 1979. In all other States, the maturity date is April 30, 1979. Producers do not receive payment and they do not deliver their crop to CCC until after the agreement maturity date.

In the past, USDA operated a flaxseed loan program that was discontinued after several years of light activity. Because flaxseed producers have traditionally made little use of loan programs, USDA officials decided to use only the purchase program to put a floor under flaxseed prices.

LINSEED OIL

Use May Be Down A Little

Linseed oil supplies for the 1978/79 marketing year total around 300 million pounds, about 6 percent below last year. Smaller starting stocks mainly account for the decline as production is not expected to be much changed from the previous year. Production is estimated at 230 million pounds, about the same as in 1977/78.

Domestic disappearance likely will total near the 225 million pounds of last season. Tighter supplies could be a limiting factor as total use is expected to approximately match oil production. Most of this oil will be used in the manufacture of paints and varnishes, the major single domestic outlet for linseed oil. Exports likely will total near 50 million pounds, about double a year ago.

Linseed oil prices (raw, Minneapolis) so far this season are averaging about 23 cents per pound, compared with 28 cents for the same period last year. Prices rose from 22 cents in June to 24 cents in September. Prices may rise further as flaxseed supplies tighten. In contrast, prices last year were high at the beginning of the season and drifted lower into the winter before resuming an upturn.

LINSEED MEAL

Domestic Use May Increase

Linseed meal supplies total near the 228,000 tons of last year. Domestic disappearance is estimated at 140,000 tons, about a fourth above last year. A larger part of the supply is expected to be utilized at home this year, in contrast to last year when exports were heavy. Exports are estimated at around 80,000 tons, down sharply from the 111,000 tons of 1977/78.

Linseed meal prices (34 percent protein, Minneapolis) are averaging around $135 per ton, approximately the same as a year ago. However, prices are expected to be more stable this season, compared with last year when they ranged from a high of $176 in June 1977 to a low of $99 in September 1977. Prices may increase seasonally into the winter as the demand for meal accelerates.

TALLOW AND GREASE

1978 Production Estimated at 6.8 Billion Pounds

Edible and inedible tallow and grease production in calendar 1978 is estimated at 6.8 billion pounds, not much changed from the previous year. At this level, U.S. production represents roughly one-half of total world production.

Exports of U.S. tallow and grease during 1978 likely will total about 2.9 billion pounds, about the same as was shipped during 1977. This represents nearly three-fourths of total world trade of tallow and grease and about two-fifths of U.S. production. About a third of U.S. exports go to Europe, a fourth to Asia, one-fifth to Africa, and the balance to other parts of the world.

The balance of the U.S. supply will be used domestically in shortening, animal feeds, fatty acids, soap, and other uses. During 1977, nearly 4 billion pounds were used in these markets. Approximately one-fifth of total domestic disappearance was used in each of the following categories: shortening, soap, and fatty acids. Roughly a third was used in animal feeds, the largest single domestic outlet. The balance was channeled into various other uses.

Edible tallow prices (loose, Chicago) this year are averaging around 22 cents per pound, about 1 cent below the similar period last year. Prices rose from around 20 cents in January to 25 cents in September. Prices over the next few months likely will continue at the higher levels. Inedible tallow prices (bleachable, fancy, Chicago) are averaging around 19 cents per pound, about 2 cents above the like period a year ago. Prices increased from 17 cents in January to 21 cents in September.

* * * * *

Sunflower

State	Area harvested			Yield			Production		
	1976	1977	Ind. 1978	1976	1977	Ind. 1978	1976	1977	Ind. 1978
	1,000 acres			*Pounds*			*1,000 pounds*		
Minnesota	210	518	660	1,224	1,558	1,500	257,100	807,060	990,000
North Dakota	600	1,320	1,820	1,000	1,255	1,200	600,000	1,658,250	2,184,000
South Dakota		132	147		959	1,200		126,560	176,400
Texas		235	40		717	1,000		168,600	40,000
Minnesota-North Dakota	810	1,838	2,480	1,058	1,341	1,280	857,100	2,465,310	3,174,000
4 States		2,205	2,667		1,252	1,271		2,760,470	3,390,400

PRICE RELATIONSHIPS AMONG VEGETABLE AND RELATED OILS PRICES

By Duane Hacklander[1]

ABSTRACT: This article examines correlations among monthly vegetable and related oil prices.

KEYWORDS: Correlations, vegetable and related oils, prices.

The purpose of this article is to examine relationships among vegetable and related oils prices. A similar article examining relationships among animal and related fats and oils prices appeared in the July 1978 *Fats and Oils Situation*, FOS-292.

Thirty-two vegetable and related oils prices listed below were correlated:[2]

Wholesale prices:
1. Castor oil
2. Coconut oil, Pacific Coast
3. Coconut oil, Ceylon, New York
4. Corn oil, crude, Decatur
5. Corn oil, refined, New York
6. Cottonseed oil, crude Southeast
7. Cottonseed oil, crude, Valley Points
8. Cottonseed oil, refined, New York
9. Linseed oil, Minneapolis
10. Linseed oil, New York
11. Margarine, white domestic, Chicago
12. Margarine, yellow quarters, Chicago
13. Margarine, colored, eastern U.S.
14. Oiticica, drums, New York
15. Oiticica, tanks, New York
16. Olive oil, New York
17. Palm oil, New York
18. Peanut oil, crude, Southeastern mills
19. Peanut oil, refined, New York
20. Rapeseed oil, New York
21. Safflower oil, tanks, New York
22. Sesame oil, New York
23. Soybean oil, crude, Decatur
24. Soybean oil, refined, New York
25. Tall oil, crude
26. Tall oil acids
27. Tung oil, drums, New York
28. Tung oil, tanks, New York

Retail prices, leading cities:
29. Margarine, colored
30. Peanut butter
31. Salad dressing (Italian)
32. Salad and cooking oil

The data series are monthly prices from January 1960 to December 1977, except for salad and cooking oil which started in January 1964. Where available the relationships include both wholesale and retail levels.

As expected, due to general price movements and the substitutibility among the oils, all prices are positively correlated, ranging from .264 to .998. All the wholesale price series for the same commodity are highly correlated at the .97+ level, except for margarine where two of the three series are highly correlated. For corn oil, cottonseed oil, peanut oil, and soybean oil these strong relationships are between crude prices at point of production and refined prices at New York City. To conserve space in the table, these highly correlated series for the same commodity are represented by the first series listed since very little difference is discernible between them.

Price relationships between soybean oil (Decatur) and the other vegetable and related oils will be summarized because of the dominance of soybean oil in the fats and oils sector. The relationships

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[1] The author is an agricultural economist with Fibers and Oils Program Area, Commodity Economics Division, ESCS.

[2] Simple correlations do not measure casual relationships but rather treat both variables as random.

TABLE 11.--CORRELATIONS AMONG VEGETABLE AND RELATED OILS PRICES

NUMBER	WHOLESALE																		RETAIL			
	CASTOR OIL	COCONUT OIL	CORN OIL	COTTONSEED OIL	LINSEED OIL	MARGARINE		OITICICA OIL	OLIVE OIL	PALM OIL	PEANUT OIL	RAPESEED OIL	SAFFLOWER OIL	SESAME OIL	SOYBEAN OIL	TALL OIL	TALL OIL ACIDS	TUNG OIL	MARGARINE	PEANUT BUTTER	SALAD DRESSING	SALAD AND COOKING OIL
	1	2	4	6	9	11	13	14	16	17	18	20	21	22	23	25	26	27	29	30	31	32
1 1/	1	.681	.695	.697	.586	.734	.700	.520	.623	.638	.704	.533	.467	.715	.726	.566	.530	.461	.690	.675	.541	.667
2		1	.783	.824	.756	.764	.654	.427	.587	.687	.792	.466	.292	.668	.830	.539	.485	.375	.636	.532	.471	.585
4			1	.939	.858	.869	.904	.516	.802	.829	.933	.777	.684	.837	.936	.821	.788	.467	.885	.786	.650	.871
6				1	.892	.901	.898	.505	.808	.806	.943	.793	.671	.852	.968	.817	.810	.431	.881	.775	.661	.844
9					1	.883	.870	.502	.866	.811	.928	.851	.755	.841	.877	.839	.842	.438	.890	.752	.591	.855
11						1	.879	.661	.801	.864	.878	.777	.679	.859	.921	.805	.775	.605	.877	.764	.579	.869
13							1	.673	.909	.893	.909	.920	.850	.942	.892	.922	.917	.585	.990	.938	.800	.972
14								1	.630	.765	.483	.594	.556	.764	.539	.585	.576	.941	.669	.753	.595	.696
16									1	.810	.869	.930	.894	.904	.776	.825	.889	.530	.944	.921	.755	.929
17										1	.793	.784	.716	.867	.836	.826	.787	.708	.892	.828	.710	.880
18											1	.844	.748	.877	.927	.812	.821	.419	.912	.819	.654	.892
20												1	.948	.896	.762	.880	.950	.495	.944	.911	.758	.912
21													1	.813	.637	.821	.896	.485	.885	.870	.703	.856
22														1	.832	.833	.854	.685	.952	.950	.765	.937
23															1	.816	.788	.469	.867	.755	.637	.834
25																1	.919	.499	.917	.816	.686	.886
26																	1	.469	.924	.873	.784	.913
27																		1	.574	.647	.427	.639
29																			1	.946	.789	.981
30																				1	.874	.931
31																					1	.923
32																						1

1/ NUMBERS CORRESPOND TO LIST OF PRICES IN TEXT.

range from .47 to .97. Strong relationships (.90+) are found between soybean oil and corn oil, cottonseed oil, and peanut oil, all domestically produced. The weakest relationships are between soybean oil and tung and oiticica oils. The relationships between soybean oil price and the retail prices are strongest for margarine and salad and cooking oil and weakest for salad dressing and peanut butter, reflecting soybean oil's dominant use in margarine and salad and cooking oils.

Strong relationships among domestically produced corn, cottonseed, peanut, and soybean oils reflect the interchangeability among these oils in the manufacture of food products. Somewhat weaker relationships are found between these oils and linseed oil, probably reflecting its use as an industrial oil. As expected, a strong relationship exists between olive oil and salad and cooking oil prices. Strength of other relationships can be found in the table.

TABLE 12--CURRENT U.S. FATS AND OILS STATISTICS

ITEM	UNIT	CROP YEAR		1978				
		1975/76	1976/77 1/	APRIL	MAY	JUNE	JULY	AUGUST
BUTTER CREAMERY (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	946.4	1,085.7	98.5	96.7	84.7	73.7	65.1
STOCKS, END OF MONTH, TOTAL	MIL. LBS.	68.1	203.4	245.6	264.6	280.9	312.7	298.6
EXPORTS AND SHIPMENTS	MIL. LBS.	3.2	4.1	0.2	0.2	0.3	---	.1
DOMESTIC DISAPPEARANCE	MIL. LBS.	916.8	948.5	88.4	77.2	68.2	41.9	79.1
CASTOR OIL (YEAR BEG. OCT.)								
IMPORTS	MIL. LBS.	116.2	117.7	13.1	10.1	6.6	8.4	4.7
STOCKS, END OF MONTH	MIL. LBS.	44.5	31.0	26.4	22.4	16.7	21.3	15.3
FACTORY CONSUMPTION	MIL. LBS.	92.1	106.6	9.3	10.2	8.8	5.7	9.8
COCONUT OIL (YEAR BEG. OCT.)								
IMPORTS	MIL. LBS.	1,248.5	1,115.4	72.4	98.3	79.9	104.5	83.6
STOCKS, END OF MONTH	MIL. LBS.	127.4	136.7	166.8	140.2	146.0	132.6	130.1
EXPORTS AND SHIPMENTS	MIL. LBS.	53.2	31.4	1.5	4.1	1.3	2.1	.2
DOMESTIC DISAPPEARANCE	MIL. LBS.	1,174.7	1,074.7	77.7	120.9	72.9	115.7	85.2
CORN OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	644.2	668.6	57.1	57.5	64.7	60.5	59.7
IMPORTS	MIL. LBS.	1.1	10.1	---	2.2	---	---	---
STOCKS, END OF MONTH	MIL. LBS.	40.8	45.8	41.2	52.3	62.9	69.3	70.9
EXPORTS AND SHIPMENTS	MIL. LBS.	98.1	93.0	5.3	7.7	12.3	8.0	9.7
DOMESTIC DISAPPEARANCE	MIL. LBS.	558.8	580.8	43.9	40.9	41.9	46.0	48.3
COTTONSEED (YEAR BEG. AUG.)								
CRUSHINGS	1000 TONS	2,952.1	3,498.7	378.3	340.7	345.8	320.6	311.3
STOCKS AT MILLS, END OF MONTH	1000 TONS	202.5	283.4	1,787.9	1,452.6	1,094.4	816.7	670.2
EXPORTS AND SHIPMENTS	1000 TONS	61.2	26.0	2.0	4.7	12.1	13.1	---
COTTONSEED MEAL (YEAR BEG. AUG.)								
PRODUCTION	1000 TONS	1,314.6	1,570.4	172.5	156.6	158.7	150.1	147.8
STOCKS, END OF MONTH	1000 TONS	60.3	114.6	57.0	67.7	88.1	85.7	90.4
EXPORTS AND SHIPMENTS	1000 TONS	50.8	74.3	0.4	5.1	6.1	2.4	1.2
DOMESTIC DISAPPEARANCE	1000 TONS	1,286.3	1,453.4	150.8	140.9	132.2	150.1	143.7
COTTONSEED OIL (YEAR BEG. AUG.)								
PRODUCTION	MIL. LBS.	985.7	1,141.1	122.1	109.2	113.9	107.8	102.7
STOCKS, END OF MONTH	MIL. LBS.	157.5	153.0	180.4	154.6	130.7	106.7	99.3
EXPORTS AND SHIPMENTS	MIL. LBS.	535.3	610.9	61.7	59.8	63.6	70.2	50.0
DOMESTIC DISAPPEARANCE	MIL. LBS.	439.2	534.6	56.4	75.1	74.2	61.6	60.0
FATTY ACIDS (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	1,133.8	1,144.3	121.7	124.5	112.8	102.3	115.9
IMPORTS	MIL. LBS.	14.1	14.0	---	---	---	---	---
STOCKS, END OF MONTH	MIL. LBS.	93.7	97.7	112.2	115.8	105.8	105.8	103.3
EXPORTS AND SHIPMENTS	MIL. LBS.	82.7	85.5	6.7	7.8	8.4	---	---
DOMESTIC DISAPPEARANCE	MIL. LBS.	1,067.5	1,068.8	101.5	113.1	114.3	---	---
FISH MEAL (YEAR BEG. OCT.)								
PRODUCTION	1000 TONS	367.9	333.8	---	---	---	---	---
IMPORTS	1000 TONS	148.3	105.0	---	3.5	---	---	---
EXPORTS AND SHIPMENTS	1000 TONS	18.8	36.0	---	---	---	---	---
FISH, SPERM AND MAMMAL OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	216.4	134.0	---	---	---	---	---
IMPORTS	MIL. LBS.	14.2	9.3	0.3	1.0	1.2	0.8	---
STOCKS, END OF MONTH	MIL. LBS.	22.6	11.1	9.4	8.5	8.3	8.1	7.8
EXPORTS AND SHIPMENTS	MIL. LBS.	213.7	116.8	2.8	8.5	16.1	33.7	---
FACTORY CONSUMPTION	MIL. LBS.	54.9	54.7	4.9	5.1	4.9	5.9	2.9
FLAXSEED (YEAR BEG. JUNE)								
IMPORTS	1000 BU.	148.0	2,169.0	---	---	---	---	---
CRUSHINGS	1000 BU.	11,790.0	10,677.0	1,107.0	1,743.0	1,650.0	1,661.0	996.0
EXPORTS AND SHIPMENTS	1000 BU.	952.0	196.0	39.0	39.0	117.0	51.0	---
LINSEED MEAL (YEAR BEG. JUNE)								
PRODUCTION	1000 TONS	226.5	201.8	21.5	32.3	31.6	30.0	19.3
STOCKS, END OF MONTH	1000 TONS	6.7	5.7	---	---	---	---	---
EXPORTS AND SHIPMENTS	1000 TONS	141.3	89.1	6.9	4.5	5.5	1.3	---
DOMESTIC DISAPPEARANCE	1000 TONS	93.3	114.1	14.8	28.4	26.3	28.9	---
LINSEED OIL (YEAR BEG. JUNE)								
PRODUCTION	MIL. LBS.	229.7	216.5	22.8	35.9	30.9	32.4	20.3
STOCKS, END OF MONTH	MIL. LBS.	48.9	88.1	76.3	69.6	62.6	75.6	49.9
EXPORTS AND SHIPMENTS	MIL. LBS.	42.2	13.8	0.1	0.2	16.3	13.3	14.4
DOMESTIC DISAPPEARANCE	MIL. LBS.	187.2	163.5	21.2	42.5	21.5	6.1	31.6
GLYCERINE (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	318.3	309.5	23.4	26.8	23.3	21.6	28.1
STOCKS, END OF MONTH	MIL. LBS.	50.9	48.2	47.6	42.1	42.8	43.9	36.0
EXPORTS AND SHIPMENTS	MIL. LBS.	59.0	33.2	2.1	3.8	3.6	---	---
DOMESTIC DISAPPEARANCE	MIL. LBS.	260.5	292.1	29.3	35.8	19.3	20.0	---
LARD COMMERCIAL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	982.0	1,055.0	80.0	85.0	85.0	73.0	85.0
STOCKS, END OF MONTH	MIL. LBS.	33.6	31.7	35.7	35.4	36.8	32.4	29.8
EXPORTS AND SHIPMENTS	MIL. LBS.	185.1	248.7	8.6	12.9	16.7	10.1	12.1
DIRECT USE	MIL. LBS.	591.5	502.4	49.7	40.7	34.9	41.7	42.7
DOMESTIC DISAPPEARANCE	MIL. LBS.	786.1	808.2	70.2	72.8	67.2	67.7	75.9
MARGARINE, ACTUAL WEIGHT (YEAR BEG. OCT.)								
PRODUCTION, TOTAL	MIL. LBS.	2,608.9	2,532.9	186.8	183.7	194.6	162.9	197.4
SOFT-1 POUND UNITS	MIL. LBS.	545.3	642.7	41.1	40.3	41.4	32.9	43.3
1 POUND UNITS-TOTAL	MIL. LBS.	2,210.1	2,244.6	105.7	101.8	116.2	95.5	114.2
STOCKS, END OF MONTH	MIL. LBS.	72.4	58.9	72.3	63.4	68.8	67.8	60.4
EXPORTS AND SHIPMENTS	MIL. LBS.	19.3	20.1	1.5	2.1	1.7	0.4	0.7
DOMESTIC DISAPPEARANCE	MIL. LBS.	2,575.8	2,526.3	172.3	190.5	187.5	163.5	204.0
MEAT MEAL AND TANKAGE (YEAR BEG. OCT.)								
PRODUCTION, TOTAL	MIL. LBS.	3,977.1	4,378.2	370.7	402.1	375.9	351.1	---
IMPORTS	MIL. LBS.	24.6	19.0	---	---	---	---	---
PALM OIL (YEAR BEG. OCT.)								
IMPORTS	MIL. LBS.	933.4	660.8	33.4	28.6	26.4	19.1	38.8
STOCKS, END OF MONTH	MIL. LBS.	138.1	131.3	100.3	82.2	79.5	96.3	88.9
EXPORTS AND SHIPMENTS	MIL. LBS.	39.3	57.1	1.3	5.1	3.0	0.8	0.6
DOMESTIC DISAPPEARANCE	MIL. LBS.	882.6	610.5	24.1	41.5	26.2	1.5	45.6
PALM KERNEL OIL (YEAR BEG. OCT.)								
IMPORTS	MIL. LBS.	158.1	157.4	13.8	13.7	18.8	6.7	11.8
STOCKS, END OF MONTH	MIL. LBS.	27.0	46.1	17.6	25.1	27.8	32.1	25.7
FACTORY CONSUMPTION	MIL. LBS.	108.9	111.3	10.3	11.4	8.4	10.3	10.9
PEANUTS (YEAR BEG. AUG.)								
CRUSHINGS, SHELLED	MIL. LBS.	1,088.1	833.2	43.0	48.3	52.3	25.7	---
STOCKS, END OF MONTH, UNSHELLED	MIL. LBS.	1,060.0	607.6	---	---	---	---	---
TOTAL EDIBLE USES, SHELLED	MIL. LBS.	1,226.3	1,148.8	---	---	---	86.3	---

CONTINUED

TABLE 12--CURRENT U.S. FATS AND OILS STATISTICS (--CONTINUED)

ITEM	UNIT	CROP YEAR		1978				
		1975/76	1976/77 1/	APRIL	MAY	JUNE	JULY	AUGUST
PEANUT MEAL (YEAR BEG. AUG.)								
PRODUCTION	1000 TONS	300.4	233.4	11.7	11.7	12.2	6.7	5.6
STOCKS, END OF MONTH	1000 TONS	2.9	5.9	2.7	4.9	6.2	5.4	1.3
DOMESTIC DISAPPEARANCE	1000 TONS	302.7	230.4	11.5	9.5	10.9	7.5	9.7
PEANUT OIL (YEAR BEG. AUG.)								
PRODUCTION	MIL. LBS.	476.0	362.6	18.0	18.1	18.1	10.4	14.6
STOCKS, END OF MONTH	MIL. LBS.	136.9	221.5	47.8	47.8	49.0	46.0	30.7
EXPORTS AND SHIPMENTS	MIL. LBS.	98.6	45.9	10.5	10.3	10.0	8.7	8.5
DOMESTIC DISAPPEARANCE	MIL. LBS.	276.4	232.1	24.3	7.8	6.9	4.6	21.4
SAFFLOWERSEED (YEAR BEG. OCT.)								
EXPORTS AND SHIPMENTS	MIL. LBS.	72.4	61.4	---	---	---	---	---
SAFFLOWERSEED OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	---	---	---	---	---	---	---
STOCKS, END OF MONTH	MIL. LBS.	43.9	24.8	23.0	21.1	16.8	15.7	21.7
FACTORY CONSUMPTION	MIL. LBS.	48.4	35.8	2.0	3.3	2.7	1.3	2.4
SALAD AND COOKING OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	4,304.9	4,205.0	435.0	413.1	406.8	368.8	410.4
IMPORTS	MIL. LBS.	63.4	56.3	6.0	4.5	6.4	4.5	4.0
STOCKS, END OF MONTH	MIL. LBS.	90.7	88.7	133.8	128.1	123.7	130.8	134.4
EXPORTS AND SHIPMENTS	MIL. LBS.	156.2	161.4	75.0	37.4	35.6	28.4	13.1
DOMESTIC DISAPPEARANCE	MIL. LBS.	4,194.7	4,101.9	349.4	386.0	382.0	337.8	397.7
SHORTENING (YEAR BEG. OCT.)								
PRODUCTION, TOTAL	MIL. LBS.	4,035.9	3,772.5	328.0	335.5	302.2	293.0	361.0
100% VEGETABLE OIL	MIL. LBS.	3,171.7	2,824.4	242.0	240.8	219.1	214.9	262.2
100% ANIMAL FATS	MIL. LBS.	864.2	948.1	86.0	94.7	83.0	78.1	98.8
STOCKS, TOTAL, END OF MONTH	MIL. LBS.	122.2	117.9	128.4	141.1	126.1	124.2	107.2
100% VEGETABLE OIL	MIL. LBS.	101.8	97.1	104.9	116.1	103.4	102.6	84.9
100% ANIMAL FATS OR BLENDS	MIL. LBS.	20.5	20.8	23.5	24.9	22.7	21.6	22.3
EXPORTS AND SHIPMENTS	MIL. LBS.	67.6	60.3	2.6	4.1	3.6	3.9	4.4
DOMESTIC DISAPPEARANCE	MIL. LBS.	3,939.1	3,716.6	309.2	318.7	313.5	291.0	373.4
SOAP (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	974.6	953.7	83.6	83.1	78.2	54.1	68.5
IMPORTS	MIL. LBS.	3.7	4.7	---	---	---	---	---
EXPORTS AND SHIPMENTS	MIL. LBS.	35.3	31.2	2.3	2.4	2.3	---	---
DOMESTIC DISAPPEARANCE	MIL. LBS.	942.9	927.3	81.3	80.7	75.9	---	---
SOYBEAN (YEAR BEG. SEPT.)								
CRUSHINGS	MIL. BU.	865.1	790.2	80.1	82.7	72.4	70.8	73.9
STOCKS, AT MILLS, END OF MONTH	MIL. BU.	48.7	23.4	90.2	76.3	54.5	44.6	36.1
EXPORTS AND SHIPMENTS	MIL. BU.	555.1	564.1	72.7	79.3	63.4	34.7	39.3
OIL YIELD PER BUSHEL CRUSHED	LBS.	10.9	11.1	10.8	11.0	11.0	11.0	11.0
MEAL YIELD PER BUSHEL CRUSHED	LBS.	47.3	47.8	46.8	47.4	47.7	47.5	47.6
SOYBEAN LECITHIN (YEAR BEG. OCT.)								
PRODUCTION	1000 TONS	---	---	---	---	---	---	---
STOCKS, AT MILLS, END OF MONTH	1000 TONS	---	---	---	---	---	---	---
SOYBEAN MEAL (YEAR BEG. OCT.)								
PRODUCTION, TOTAL	1000 TONS	20,754.2	18,488.1	1,875.3	1,959.7	1,725.2	1,680.6	1,757.8
ANIMAL FEEDS	1000 TONS	20,395.4	18,100.7	1,773.8	1,860.1	1,630.9	1,589.3	1,658.9
EDIBLE PROTEIN PRODUCTS	1000 TONS	358.8	387.7	36.6	35.8	34.3	32.4	38.0
STOCKS, END OF MONTH	1000 TONS	354.9	228.3	308.2	281.9	191.1	262.6	228.2
EXPORTS AND SHIPMENTS	1000 TONS	5,206.0	4,613.9	659.3	508.9	540.8	399.4	470.6
DOMESTIC DISAPPEARANCE	1000 TONS	15,551.6	14,000.8	1,163.1	1,476.8	1,275.2	1,209.7	1,321.6
SOYBEAN OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	9,629.8	8,577.9	866.9	908.2	795.1	782.1	795.1
STOCKS, END OF MONTH	MIL. LBS.	1,250.6	766.6	822.2	828.7	834.4	820.8	777.9
EXPORTS AND SHIPMENTS	MIL. LBS.	1,033.6	1,607.7	238.0	191.0	171.6	185.3	115.2
DOMESTIC DISAPPEARANCE	MIL. LBS.	7,906.1	7,454.4	610.5	710.7	617.8	610.5	722.8
SUNFLOWERSEED (YEAR BEG. OCT.)								
CRUSHINGS	1000 TONS	---	---	---	---	---	---	---
STOCKS, AT MILLS, END OF MONTH	1000 TONS	---	---	---	---	---	---	---
EXPORTS AND SHIPMENTS	MIL. LBS.	688.4	889.1	56.4	231.4	142.4	96.8	145.4
SUNFLOWERSEED MEAL (YEAR BEG. OCT.)								
PRODUCTION	1000 TONS	77.0	9.1	---	---	---	---	---
STOCKS, AT MILLS, END OF MONTH	1000 TONS	4.9	2.4	---	---	---	---	---
SUNFLOWERSEED OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	107.7	13.1	---	---	---	---	---
STOCKS, AT MILLS, END OF MONTH	MIL. LBS.	---	---	---	---	---	---	---
TALL OIL (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	1,176.3	1,181.1	19.5	18.9	18.2	13.9	14.1
STOCKS, END OF MONTH	MIL. LBS.	157.5	147.7	163.7	166.3	168.6	174.3	170.1
EXPORTS AND SHIPMENTS	MIL. LBS.	234.8	176.2	14.8	21.3	13.7	---	---
DOMESTIC DISAPPEARANCE	MIL. LBS.	952.6	1,014.7	-3.0	-4.9	1.9	8.1	18.3
TALLOW EDIBLE (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	526.8	531.6	60.8	71.4	65.5	61.7	70.3
STOCKS, END OF MONTH	MIL. LBS.	58.9	33.5	38.3	38.8	45.4	45.1	46.2
EXPORTS AND SHIPMENTS	MIL. LBS.	21.7	22.9	0.1	2.2	1.4	2.8	1.5
DOMESTIC DISAPPEARANCE	MIL. LBS.	470.3	534.1	65.3	68.8	57.5	59.2	67.6
TALLOW INEDIBLE AND GREASES (YEAR BEG. OCT.)								
PRODUCTION CENSUS REPORTED	MIL. LBS.	5,353.6	5,443.4	---	---	---	---	---
INEDIBLE TALLOW	MIL. LBS.	3,005.8	2,759.4	---	---	---	---	---
GREASES	MIL. LBS.	1,628.1	759.5	---	---	---	---	---
INEDIBLE AND GREASES, N.S.K.	MIL. LBS.	3,056.5	1,924.5	---	---	---	---	---
IMPORTS	MIL. LBS.	9.8	6.1	0.5	0.6	0.2	0.3	0.3
STOCKS TOTAL, END OF MONTH	MIL. LBS.	352.2	359.3	289.2	292.7	289.3	309.6	343.4
INEDIBLE TALLOW	MIL. LBS.	97.6	193.6	---	---	---	---	---
GREASES	MIL. LBS.	25.9	41.3	---	---	---	---	---
INEDIBLE AND GREASES, N.S.K.	MIL. LBS.	228.6	193.6	---	---	---	---	---
EXPORTS AND SHIPMENTS	MIL. LBS.	2,141.7	2,849.4	286.5	194.8	263.6	185.1	---
DOMESTIC DISAPPEARANCE	MIL. LBS.	3,287.5	3,179.7	267.3	296.3	263.1	---	---
TUNG OIL (YEAR BEG. OCT.)								
IMPORTS	MIL. LBS.	38.2	22.1	4.3	3.4	2.1	1.8	.4
STOCKS, END OF MONTH	MIL. LBS.	4.8	2.3	3.3	4.6	4.9	4.1	3.9
FACTORY CONSUMPTION	MIL. LBS.	23.3	20.1	1.5	1.6	1.3	1.1	1.1
VEGETABLE FOOTS (YEAR BEG. OCT.)								
PRODUCTION	MIL. LBS.	---	---	---	---	---	---	---
STOCKS, END OF MONTH	MIL. LBS.	26.3	35.8	37.3	36.7	35.9	34.3	36.3
EXPORTS AND SHIPMENTS	MIL. LBS.	---	---	---	---	---	---	---
FACTORY CONSUMPTION	MIL. LBS.	57.9	75.5	9.7	7.8	9.0	7.8	8.4

1/ PRELIMINARY. N.A. = NOT AVAILABLE.

TABLE 13--INDEX NUMBERS OF WHOLESALE PRICES OF FATS AND OILS, BY MONTHS, 1967 = 100

ITEM	1977					1978			
	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
WHOLESALE									
ALL FATS AND OILS	248	246	257	289	303	284	285	295	287
ALL FATS AND OILS, EXCEPT BUTTER	286	283	298	338	355	331	332	344	331
GROUP BY ORIGIN:									
ANIMAL FATS	173	207	220	244	260	237	240	249	241
VEGETABLE OILS, DOMESTIC	186	176	175	209	208	220	209	213	211
VEGETABLE OILS, FOREIGN	227	222	216	262	238	242	248	263	259
GROUP BY USE:									
BUTTER	154	151	151	155	155	160	160	160	176
LARD	247	249	266	304	328	282	288	298	286
LARD, REFINED	260	208	223	235	258	225	236	239	258
FOOD FATS OTHER THAN BUTTER	194	192	202	234	247	224	225	231	224
FOOD FATS OTHER THAN BUTTER AND LARD	201	191	189	227	166	237	226	231	228
ALL EDIBLE FATS AND OILS	180	178	186	213	224	205	205	211	207
SOAP FATS	269	267	287	299	306	322	321	345	320
DRYING OILS	169	163	161	170	174	174	180	185	185
OTHER INDUSTRIAL	237	237	246	266	270	272	275	282	275
ALL INDUSTRIAL	253	250	266	277	284	296	297	313	298
EDIBLE VEGETABLE OILS, GROUPED BY DEGREE OF PROCESSING:									
CRUDE	197	186	185	224	220	232	220	225	222
REFINED	212	222	225	230	222	229	225	226	227
END PRODUCTS	197	195	194	207	217	220	218	218	209
MARGARINE	195	195	195	201	215	215	215	215	205
SHORTENING, 3-POUND TIN	204	204	204	209	227	233	233	233	233
SHORTENING, 440-POUND DRUM	192	175	172	200	201	211	204	202	198
RETAIL 1/									
EDIBLE FATS AND OILS	196	193	196	197	200	206	214	---	---
MARGARINE	212	207	210	215	217	229	235	---	---
SALAD DRESSING, ITALIAN STYLE	169	169	171	170	171	170	176	---	---
SALAD AND COOKING OIL	208	206	209	208	211	219	230	---	---

1/ CPI SEASONALLY ADJUSTED SERIES; DISCONTUNIED JUNE 1978.

SOURCE: ALL INDEXES EXCEPT "OTHER INDUSTRIAL" FROM BUREAU OF LABOR STATISTICS.

TABLE 14--PRICES RECEIVED BY FARMERS AND PRICES AT TERMINAL MARKETS FOR SPECIFIED OIL-BEARING MATERIALS AND OILMEALS, BY MONTHS

ITEM	UNIT	1978					
		MARCH	APRIL	MAY	JUNE	JULY	AUGUST
OILSEEDS							
COTTONSEED, UNITED STATES AVERAGE	SHORT TON	---	---	---	---	---	---
FLAXSEED, NO. 1, MINNEAPOLIS	BUSHEL	4.78	5.30	5.78	6.25	5.22	5.47
FLAXSEED, UNITED STATES AVERAGE	BUSHEL	4.26	4.80	5.06	5.66	4.75	4.94
PEANUTS, UNITED STATES AVERAGE (FARMERS' STOCK)	100 LB.	---	---	---	---	---	---
PEANUTS, VIRGINIA NO. 1, SHELLED, VIRGINIA-NORTH CAROLINA 1/	100 LB.	33.92	33.81	33.71	33.30	33.00	32.67
PEANUTS, RUNNERS NO. 1, SHELLED, SOUTHEAST 1/	100 LB.	---	---	---	---	---	---
PEANUTS, SPANISH NO. 1, SHELLED, SOUTHEAST 1/	100 LB.	---	---	---	---	34.88	---
PEANUTS, SPANISH NO. 1, SHELLED, SOUTHWEST 1/	100 LB.	40.93	39.40	40.50	42.20	36.60	38.40
SOYBEANS, NO. 1, YELLOW, CHICAGO	BUSHEL	6.53	6.81	7.09	6.79	6.54	6.43
SOYBEANS, NO. 1, YELLOW, ILLINOIS COUNTRY SHIPPING POINTS	BUSHEL	6.58	6.81	7.01	6.76	6.62	6.47
SOYBEANS, UNITED STATES AVERAGE	BUSHEL	6.20	6.49	6.77	6.69	6.39	6.21
OILMEALS (BULK)							
COTTONSEED MEAL, 41 PERCENT PROTEIN, MEMPHIS	SHORT TON	149.40	131.25	130.00	127.50	124.40	149.00
COTTONSEED MEAL, 41 PERCENT PROTEIN, ATLANTA	SHORT TON	163.40	148.70	144.40	143.50	141.50	162.20
COTTONSEED MEAL, 41 PERCENT PROTEIN, FORT WORTH	SHORT TON	157.50	133.75	128.50	132.50	132.50	147.50
FISH MEAL, 65 PERCENT PROTEIN, BAGGED, EAST COAST	SHORT TON	377.50	382.00	382.00	357.50	330.00	---
FISH MEAL, 65 PERCENT PROTEIN, BULK, LOS ANGELES	SHORT TON	323.10	---	302.50	---	---	---
LINSEED MEAL, 34 PERCENT PROTEIN, MINNEAPOLIS	SHORT TON	136.25	145.00	139.60	135.50	131.75	131.20
PEANUT MEAL, 50 PERCENT PROTEIN, F.O.B. SOUTHEASTERN MILLS	SHORT TON	181.70	173.30	167.00	157.50	155.00	156.00
SAFFLOWER MEAL, 20 PERCENT SOLVENT, SAN FRANCISCO	SHORT TON	63.50	57.00	69.10	75.00	73.75	69.00
SOYBEAN MEAL, 44 PERCENT PROTEIN, CHICAGO	SHORT TON	190.50	184.10	188.50	180.80	183.10	174.10
SOYBEAN MEAL, 44 PERCENT PROTEIN, DECATUR	SHORT TON	171.90	173.00	177.40	169.75	172.00	162.90
SOYBEAN MEAL, 44 PERCENT PROTEIN, ATLANTA	SHORT TON	199.20	188.70	195.30	188.00	188.00	181.80
SOYBEAN MEAL, 44 PERCENT PROTEIN, MEMPHIS	SHORT TON	188.20	178.60	184.40	177.50	174.80	168.70
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, DECATUR	SHORT TON	193.40	188.75	194.90	187.10	187.25	178.20
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, MEMPHIS	SHORT TON	202.40	192.40	204.00	199.30	197.40	188.20
SOYBEAN MEAL, 49-50 PERCENT PROTEIN, ATLANTA	SHORT TON	210.40	202.30	209.90	205.10	204.20	194.40
OTHER FEEDS							
CORN GLUTEN MEAL, 60 PERCENT PROTEIN, CHICAGO	SHORT TON	248.50	245.50	220.00	213.75	201.75	216.00
MEAT AND BONE MEAL, 50 PERCENT PROTEIN, CHICAGO	SHORT TON	234.37	203.75	194.00	202.50	200.60	195.50
UREA, 45 PERCENT N., FEED GRADE, BULK, DLVD EAST	SHORT TON	167.50	167.50	167.50	167.50	167.50	167.50

1/ THIS PRICE APPLIES TO PEANUTS FOR EDIBLE USES.

SOURCES: COMPILED FROM CHEMICAL MARKET REPORTER, WALL STREET JOURNAL, FEEDSTUFFS, REPORTS OF THE STATISTICAL REPORTING SERVICE, AND AGRICULTURAL MARKETING SERVICE.

TABLE 15--WHOLESALE AND RETAIL PRICES PER POUND FOR FATS AND OILS, BY MONTHS

ITEM	1978					
	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
	CENTS					
WHOLESALE						
BUTTER, CREAMERY, GRADE A, (92- AND 93-SCORE) BULK, NEW YORK	108.9	109.4	109.5	110.2	111.6	122.6
BUTTER, CREAMERY, GRADE A, (92-SCORE) BULK, CHICAGO	101.3	---	106.7	106.7	106.7	106.7
CASTOR OIL, NO.1, BRAZILIAN, TANKS, IMPORTED, NEW YORK	46.5	47.3	46.3	40.3	39.4	37.9
COCONUT OIL, CRUDE, TANK CARS, PACIFIC COAST 1/	31.9	30.5	29.9	32.4	32.9	32.3
COCONUT OIL, CRUDE, TANKS, F.O.B., NEW YORK	32.9	31.0	30.9	33.3	33.9	33.6
COD OIL, BULK, F.O.B., GLOUCESTER, MASSACHUSETTS	19.0	19.0	19.0	19.0	20.1	23.5
CODLIVER OIL, NF, DRUMS, NEW YORK	69.0	69.0	69.0	69.0	69.0	68.6
CORN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	43.0	36.5	35.3	33.0	33.3	31.5
CORN OIL, REFINED, TANKS, NEW YORK	49.5	43.3	40.9	40.9	39.5	39.4
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	25.0	25.0	27.0	26.5	27.5	29.0
COTTONSEED OIL, CRUDE, TANK CARS, F.O.B., VALLEY	25.2	26.0	27.3	27.0	27.5	28.9
COTTONSEED OIL, REFINED, TANKS, NEW YORK	32.0	33.1	34.6	33.6	34.4	36.1
DEGRAS, LINOLIN TECHNICAL, DRUMS, NEW YORK	64.0	64.0	64.0	64.0	64.0	64.0
FISH OIL, REFINED, ALKALI, TANKS, NEW YORK	23.0	23.0	23.0	23.0	23.8	23.0
GLYCERINE, SYNTHETIC, REFINED, 99.5 PERCENT, TANKS, DELIVERED, NEW YORK	52.3	51.1	51.0	51.0	51.0	51.0
GLYCERINE, NATURAL, REFINED, U.S.P., 99 PERCENT, TANKS, DELIVERED, NEW YORK	49.1	49.1	49.1	49.3	49.3	49.3
GREASE, A WHITE, TANK CARS, DELIVERED, CHICAGO	17.5	18.1	19.1	18.8	21.3	19.3
GREASE, B WHITE, DELIVERED, CHICAGO	16.6	17.1	17.4	17.8	17.8	17.1
GREASE, YELLOW, DELIVERED, CHICAGO	14.8	15.5	15.8	15.8	16.3	15.0
GREASE, WHITE, CHOICE, TANKS, NEW YORK	18.4	18.7	18.8	19.4	19.2	19.6
LARD OIL, EXTRA NO. 1, DRUMS, CHICAGO	27.0	27.0	27.0	27.0	27.0	27.0
LARD, LOOSE, TANK CARS, CHICAGO	23.8	25.6	22.0	22.5	23.3	22.3
LARD, PRIME STEAM, TIERCES, CHICAGO	25.8	23.3	22.4	22.7	22.6	24.2
LARD, REFINED, 1 AND 2-POUND PRINTS, CHICAGO	32.3	35.0	30.5	32.0	32.5	35.0
LECITHIN, EDIBLE, TECHNICAL, BLEACHED, DRUMS, WORKS	38.0	38.0	38.0	29.5	29.5	29.5
LINSEED OIL, RAW, TANK CARS, MINNEAPOLIS	26.6	---	22.0	22.0	22.5	24.0
LINSEED OIL, RAW, TANKS, NEW YORK	23.6	22.7	21.8	21.8	22.4	23.8
MARGARINE, COLORED, DELIVERED, EASTERN UNITED STATES	51.4	55.2	55.2	55.2	55.2	52.5
MARGARINE, YELLOW, QUARTERS, F.O.B., CHICAGO	41.0	43.5	41.9	40.6	37.8	37.3
MARGARINE, WHITE, DOMESTIC VEGETABLE, CHICAGO	38.9	41.6	42.8	47.4	46.0	45.7
MENHADEN OIL, CRUDE, TANKS, F.O.B., BALTIMORE	15.0	15.0	15.0	15.0	15.0	15.0
MENHADEN OIL, LIGHT PRESSED, TANKS, NEW YORK	20.5	20.5	20.5	20.5	21.2	21.1
OITICICA OIL, DRUMS, F.O.B., NEW YORK	72.0	72.0	72.0	72.0	71.2	69.0
OITICICA OIL, TANKS, NEW YORK	75.5	75.5	75.5	75.5	75.4	75.0
OLIVE OIL, IMPORTED, EDIBLE, DRUMS, NEW YORK	86.7	86.7	86.7	86.7	86.7	86.7
PALM KERNEL OIL, CIF, BULK, U.S. PORTS	36.9	36.9	36.9	36.9	36.9	36.9
PALM OIL, CIF, BULK, U.S. PORTS	27.4	28.0	28.4	30.6	31.2	31.0
PEANUT OIL, CRUDE, TANK CARS, F.O.B., SOUTHEAST MILLS	36.1	41.6	42.3	42.7	39.1	40.1
PEANUT OIL, REFINED, TANKS, NEW YORK	41.2	46.6	48.1	47.1	44.5	44.9
RAPESEED OIL, REFINED, DENATURED, TANKS, NEW YORK	39.0	39.0	39.0	39.0	39.0	39.0
SAFFLOWER OIL, TANKS, NEW YORK	41.0	41.0	41.0	41.5	41.5	41.0
SAFFLOWER OIL, EDIBLE, DRUMS, NEW YORK	52.0	52.0	52.0	52.0	52.0	52.0
SESAME OIL, REFINED, DRUMS, NEW YORK	87.5	87.5	87.5	87.5	87.5	87.5
SHORTENING, ALL VEGETABLE, HYDROGENATED, 440-POUND DRUMS, NEW YORK	41.5	41.8	43.8	42.3	42.0	41.0
SOYBEAN OIL, CRUDE, TANK CARS, F.O.B., DECATUR	26.6	26.8	28.8	26.9	25.9	26.3
SOYBEAN OIL, REFINED, TANKS, NEW YORK	31.7	32.5	34.2	31.8	31.3	31.0
TALL OIL, CRUDE, TANKS, WORKS	7.5	7.8	7.8	7.8	7.8	7.5
TALLOW, EDIBLE, LOOSE, CHICAGO	20.5	23.0	23.0	24.0	23.5	23.3
TALLOW, INEDIBLE, PACKERS' PRIME, C.A.F., DELIVERED, CHICAGO	17.3	17.8	17.9	18.2	16.9	18.7
TALLOW, INEDIBLE, BLEACHABLE FANCY, DELIVERED, CHICAGO	18.7	18.8	19.5	20.7	20.1	20.5
TALLOW, INEDIBLE, NO. 1, DELIVERED, CHICAGO	15.4	15.8	15.8	16.0	16.3	16.3
TUNG OIL, IMPORTED, DRUMS, F.O.B., NEW YORK	100.0	100.0	100.0	100.0	100.0	100.0
TUNG OIL, IMPORTED, TANKS, NEW YORK	118.5	118.5	118.5	118.5	118.5	118.5
RETAIL 2/						
BUTTER	139.4	141.1	142.4	141.3	---	---
COOKING AND SALAD OILS	73.4	73.9	76.2	78.4	---	---
MARGARINE	60.8	60.9	62.4	63.6	---	---
PEANUT BUTTER	100.0	100.2	100.4	100.8	---	---
SALAD DRESSING (ITALIAN)	129.2	129.0	128.4	131.8	---	---
SHORTENING	52.9	53.9	55.5	57.1	---	---

1/ INCLUDES 1 CENT IMPORT DUTY.
2/ LEADING CITIES; DISCONTINUED JUNE 1978.

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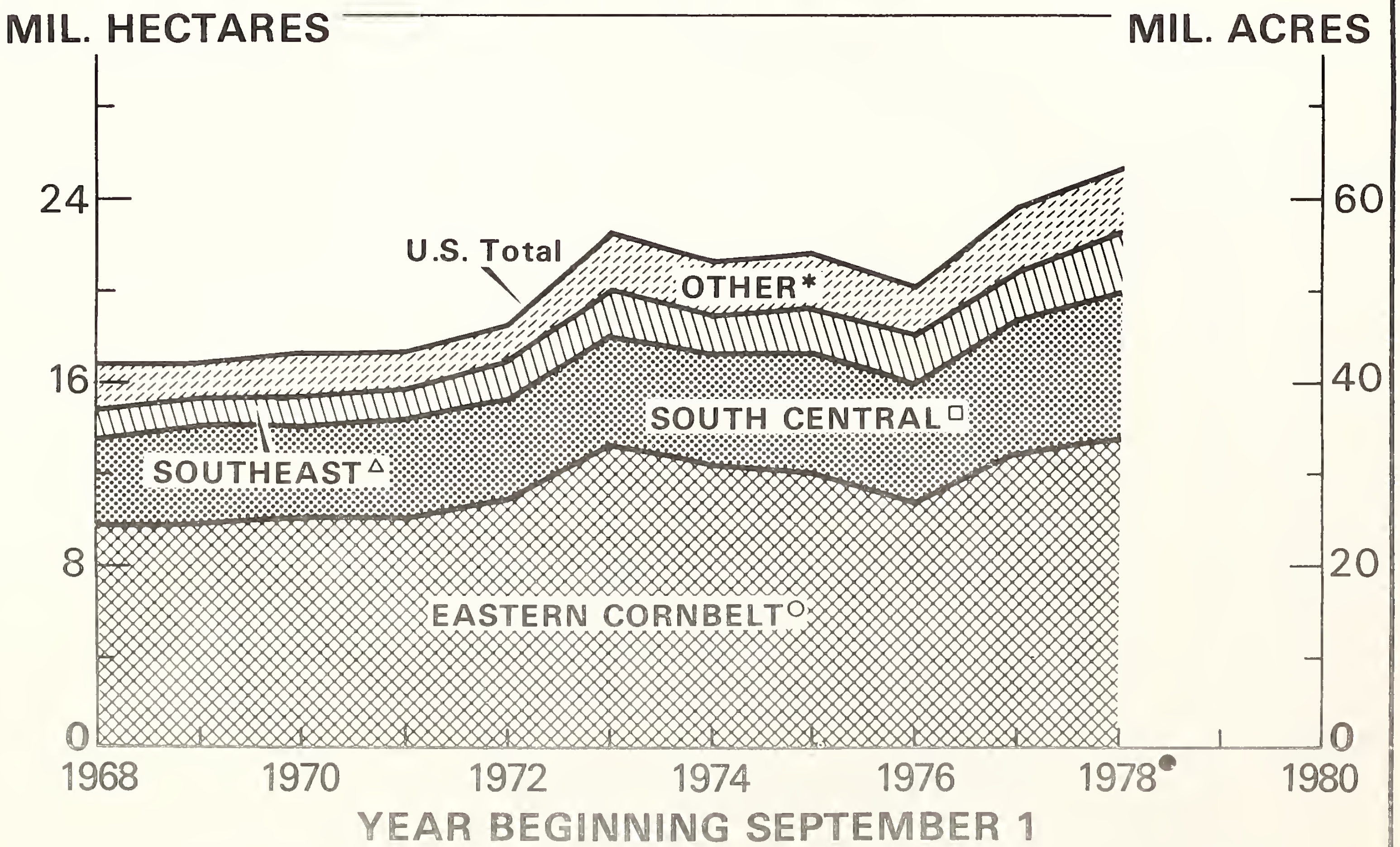
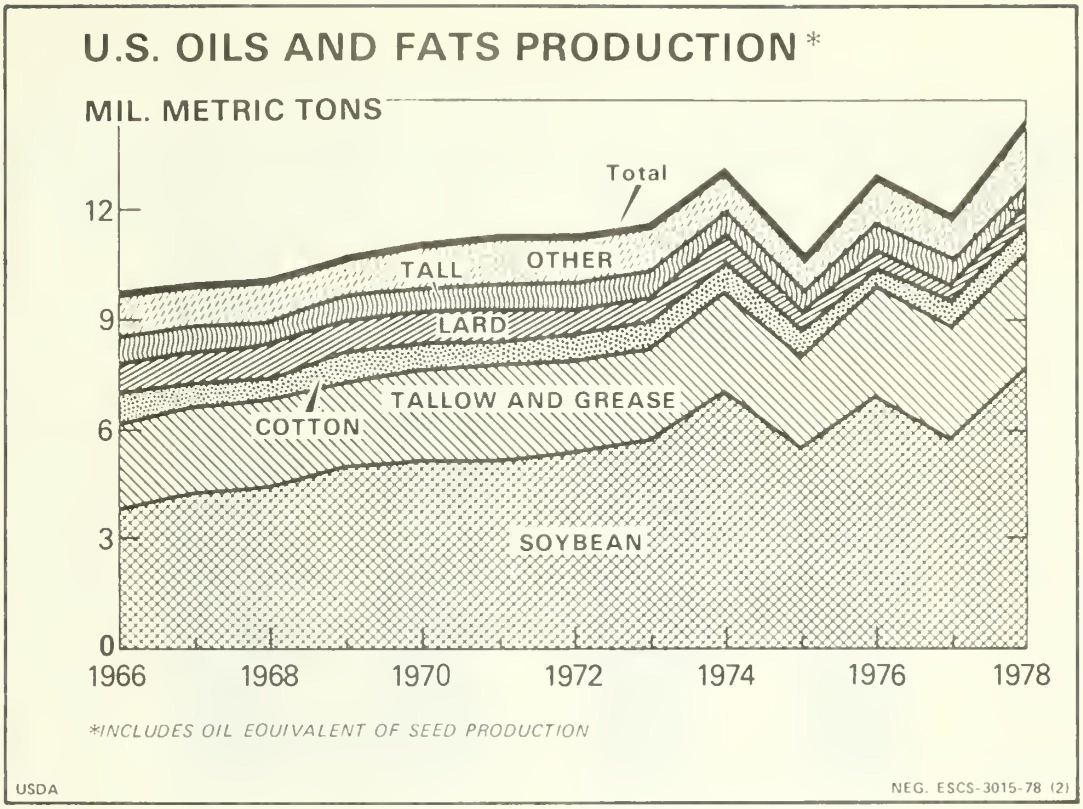
U.S. SOYBEAN AREA PLANTED



*○ILLINOIS, INDIANA, IOWA, MISSOURI, MINNESOTA AND OHIO. □ARKANSAS, LOUISIANA, MISSISSIPPI, KENTUCKY AND TENNESSEE. △NORTH CAROLINA, SOUTH CAROLINA, GEORGIA AND ALABAMA. *WESTERN CORNBELT STATES AND ALL OTHER. ●BASED ON JUNE 30 ACREAGE REPORT.*

USDA

NEG. ESCS 5921-78 (7)

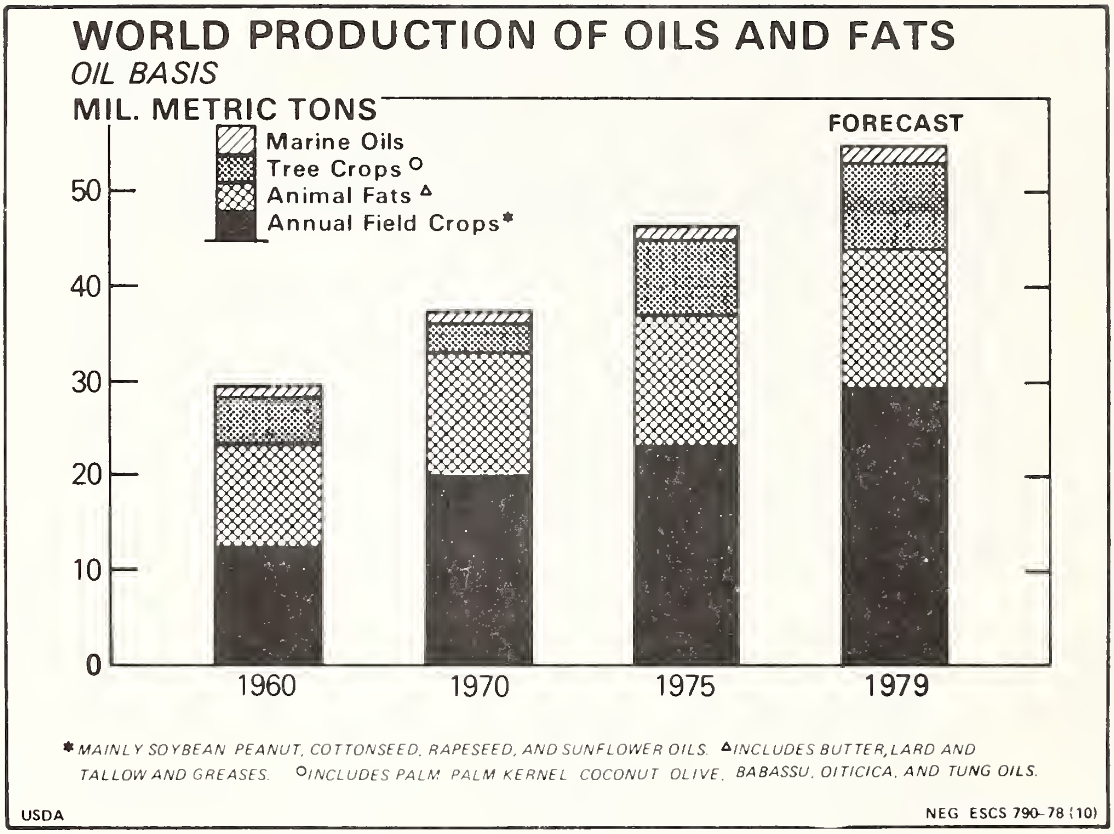


U.S. OILS AND FATS PRODUCTION*

*INCLUDES OIL EQUIVALENT OF SEED PRODUCTION

USDA

NEG. ESCS-3015-78 (2)



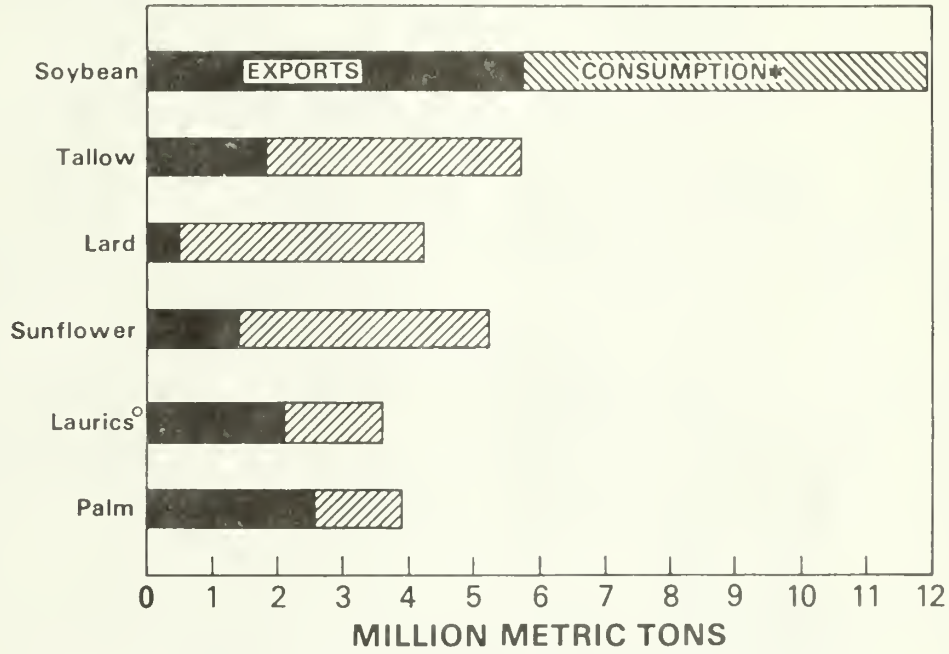
WORLD PRODUCTION OF OILS AND FATS

OIL BASIS

*MAINLY SOYBEAN PEANUT, COTTONSEED, RAPESEED, AND SUNFLOWER OILS. △INCLUDES BUTTER, LARD AND TALLOW AND GREASES. ○INCLUDES PALM PALM KERNEL COCONUT OLIVE, BABASSU, OITICICA, AND TUNG OILS.

USDA

NEG ESCS 790-78 (10)



WORLD PRODUCTION AND EXPORTS OF MAJOR OILS AND FATS, 1979 FORECAST (OIL BASIS)

*APPARENT CONSUMPTION IN PRODUCING COUNTRIES UNADJUSTED FOR STOCK CHANGES.

° INCLUDES COCONUT OIL, PALM KERNEL AND BABASSU OILS.

USDA NEG ESCS 3013-78 (10)

*U.S. GOVERNMENT PRINTING OFFICE : 1978 0-280-934/ESCS-35

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FOS-293 OCTOBER 1978

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U.S. DEPARTMENT
OF AGRICULTURE

WASHINGTON, D.C.

NOVEMBER
13-16, 1978